

JAN 3 1983

I certify that the attached is a true and
correct copy of HJR # 19 which
was filed of record on JAN 3 1983
and referred to the committee on:

Higher Education
Betty Murray

Chief Clerk of the House

By Siles

J.R. 19

A JOINT RESOLUTION

proposing a constitutional amendment to provide funds for the support of higher education and to restructure the permanent university fund.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. That Article VII of the Texas Constitution be amended by adding Section 17 to read as follows:

Section 17 (a) In the fiscal year beginning September 1, 1984 and each fiscal year thereafter, there is hereby appropriated out of the first money coming into the general revenue fund the following amounts to be used by eligible agencies and institutions of higher education for the purpose of acquiring land either with or without permanent improvements, constructing and equipping buildings or other permanent improvements, major repair or rehabilitation of existing buildings or other permanent improvements, and acquisition of capital equipment, library books and library materials. In the fiscal year beginning September 1, 1984, \$125 million is hereby appropriated. In the fiscal year beginning September 1, 1985, and each fiscal year thereafter, there is hereby appropriated an amount equal to the previous year's appropriation adjusted upward by a factor equal to any percentage increase in the cost of goods and services for the previous calendar year as reflected in the All Items Category of the Consumer Price Index - U.S. Average for All Urban Consumers - Annual Average (published in January of each year for the preceeding year by the Bureau of Labor Statistics of the

1 U.S. Department of Labor) or its successor. The State Comptroller
2 of Public Accounts shall apply the factor to determine the amount
3 appropriated hereunder.

4 (b) The funds appropriated under Subsection (a) of this section
5 shall be for the use of the following eligible agencies and
6 institutions of higher education (even though their names may be
7 changed) together with any additional institutions of higher
8 education which are not component institutions of the Texas A&M
9 University System or The University of Texas System which may be
10 created at a later date by general law:

11 (1) East Texas State University including East Texas State
12 University at Texarkana

13 (2) Lamar University including Lamar University at Orange and
14 Lamar University at Port Arthur

15 (3) Midwestern State University

16 (4) North Texas State University

17 (5) Pan American University including Pan American University
18 at Brownsville

19 (6) Stephen F. Austin State University

20 (7) Texas College of Osteopathic Medicine

21 (8) Texas State University System Administration and its
22 component institutions, including:

23 (9) Angelo State University

24 (10) Sam Houston State University

25 (11) Southwest Texas State University

26 (12) Sul Ross State University including Uvalde Study
27 Center

28 (13) Texas Southern University

- 1 (14) Texas Tech University
- 2 (15) Texas Tech University Health Sciences Center
- 3 (16) Texas Woman's University
- 4 (17) University of Houston System Administration and its
- 5 component institutions, including:
- 6 (18) University of Houston Central Campus including
- 7 University of Houston Center at Victoria
- 8 (19) University of Houston at Clear Lake City
- 9 (20) University of Houston Downtown College
- 10 (21) University System of South Texas System Administration and
- 11 its component institutions, including:
- 12 (22) Corpus Christi State University
- 13 (23) Laredo State University
- 14 (24) Texas A&I University
- 15 (25) West Texas State University

16 (c) In the year 1985 and every ten years thereafter, the

17 legislature or an agency designated by the legislature whose board

18 is appointed by the Governor and confirmed by the Senate no later

19 than August 31 of such year shall allocate by equitable formula the

20 annual appropriations made under Subsection (a) of this section to

21 the governing boards of eligible agencies and institutions of higher

22 education. The legislature shall review, or provide for a review,

23 of the allocation formula at the end of the fifth year of each

24 ten-year allocation period. At that time adjustments may be made in

25 the allocation formula, but no adjustment that will prevent the

26 payment of outstanding bonds and notes, both principal and interest,

27 may be made.

28 (d) Each governing board authorized to participate in the

1 distribution of monies under this section is authorized to expend
2 all monies distributed to it for any of the purposes enumerated in
3 Subsection (a). In addition, such governing board may issue bonds
4 and notes for the purposes of refunding bonds or notes issued under
5 this section or prior law, acquiring land either with or without
6 permanent improvements, constructing and equipping buildings or
7 other permanent improvements, and for major repair and
8 rehabilitation of existing buildings or other permanent
9 improvements, and may pledge up to 80 percent (80%) of the monies
10 allocated to such governing board pursuant to this section to secure
11 the payment of the principal and interest of such bonds or notes.
12 Proceeds from the issuance of bonds or notes under this subsection
13 shall be maintained in a local depository selected by the governing
14 board issuing the bonds or notes. The bonds and notes issued under
15 this subsection shall be payable solely out of the monies
16 appropriated by this section and shall mature serially or otherwise
17 in not more than ten years from their respective dates. All bonds
18 issued under this section shall be sold only through competitive
19 bidding and are subject to approval by the Attorney General. Bonds
20 approved by the Attorney General shall be incontestable. The
21 permanent university fund may be invested in the bonds and notes
22 issued under this section.

23 (e) The Comptroller of Public Accounts shall make annual
24 transfers of the funds allocated pursuant to Subsection (c) directly
25 to the governing boards of the eligible institutions.

26 (f) This section is self-enacting upon the issuance of the
27 Governor's proclamation declaring the adoption of the amendment, and
28 the State Comptroller of Public Accounts and the State Treasurer

1 shall do all things necessary to effectuate this section. This
2 section does not impair any obligation created by the issuance of
3 any bonds and notes in accordance with prior law, and all
4 outstanding bonds and notes shall be paid in full, both principal
5 and interest, in accordance with their terms. If the provisions of
6 this section conflict with any other provisions of this
7 Constitution, then the provisions of this section shall prevail,
8 notwithstanding all such conflicting provisions.

9 SECTION 2. That Article VII, Section 14 of the Texas
10 Constitution be revised to read as follows:

11 Sec. 14. Prairie View A&M University in Waller County is an
12 institution of the first class under the direction of the same
13 governing board as Texas A&M University referred to in Article VII,
14 Section 13 of this constitution as the Agricultural and Mechanical
15 College of Texas.

16 SECTION 3. That Article VII, Section 18 of the Texas
17 Constitution be revised to read as follows:

18 Sec. 18. (a) The board of regents of The Texas A&M University
19 System may issue bonds and notes not to exceed a total amount of 10
20 percent of the cost value of the investments and other assets of the
21 Permanent University Fund (exclusive of real estate) at the time of
22 the issuance thereof, and may pledge all or any part of its
23 one-third interest in the Available University Fund to secure the
24 payment of the principal and interest of those bonds and notes, for
25 the purpose of acquiring land either with or without permanent
26 improvements, constructing and equipping buildings or other
27 permanent improvements, major repair and rehabilitation of existing
28 buildings and other permanent improvements, acquiring capital

1 equipment and library books and library materials, and refunding
2 bonds or notes issued under this Section or prior law, at or for The
3 Texas A&M University System administration and the following
4 component institutions of the system:

5 (1) Texas A&M University, including its medical college which
6 the legislature may authorize as a separate medical
7 institution;

8 (2) Prairie View A&M University, including its nursing school
9 in Houston;

10 (3) Tarleton State University;

11 (4) Texas A&M University at Galveston (formerly Moody College
12 of Marine Sciences and Maritime Resources);

13 (5) Texas Forest Service;

14 (6) Texas Agricultural Experiment Stations;

15 (7) Texas Agricultural Extension Service;

16 (8) Texas Engineering Experiment Stations;

17 (9) Texas Transportation Institute; and

18 (10) Texas Engineering Extension Service.

19 (b) The board of regents of The University of Texas System may
20 issue bonds and notes not to exceed a total amount of 20 percent of
21 the cost value of investments and other assets of the Permanent
22 University Fund (exclusive of real estate) at the time of issuance
23 thereof, and may pledge all or any part of its two-thirds interest
24 in the Available University Fund to secure the payment of the prin-
25 cipal and interest of those bonds and notes, for the purpose of
26 acquiring land either with or without permanent improvements,
27 constructing and equipping buildings or other permanent improve-
28 ments, major repair and rehabilitation of existing buildings and

1 other permanent improvements, acquiring capital equipment and
2 library books and library materials, and refunding bonds or notes
3 issued under this Section or prior law, at or for The University of
4 Texas System administration and the following component institutions
5 of the system:

- 6 (1) The University of Texas at Arlington;
- 7 (2) The University of Texas at Austin;
- 8 (3) The University of Texas at Dallas;
- 9 (4) The University of Texas at El Paso;
- 10 (5) The University of Texas of the Permian Basin;
- 11 (6) The University of Texas at San Antonio;
- 12 (7) The University of Texas at Tyler;
- 13 (8) The University of Texas Health Science Center at Dallas;
- 14 (9) The University of Texas Medical Branch at Galveston;
- 15 (10) The University of Texas Health Science Center at
16 Houston;
- 17 (11) The University of Texas Health Science Center at San
18 Antonio;
- 19 (12) The University of Texas System Cancer Center;
- 20 (13) The University of Texas Health Center at Tyler; and
- 21 (14) The University of Texas Institute of Texan Cultures at
22 San Antonio.

23 (c) The Available University Fund consists of the dividends,
24 interest and other income from the Permanent University Fund,
25 including the net income attributable to the surface of Permanent
26 University Fund land. Out of one-third of the Available University
27 Fund, there shall be appropriated an annual sum sufficient to pay
28 the principal and interest due on the bonds and notes issued by the

1 board of regents of The Texas A&M University System under this
2 section and prior law, and the remainder of that one-third of the
3 Available University Fund shall be appropriated to the board of
4 regents of The Texas A&M University System which shall have the
5 authority and duty in turn to appropriate an equitable portion of
6 the same for the support and maintenance of The Texas A&M University
7 System administration, Texas A&M University, and Prairie View A&M
8 University. The board of regents of The Texas A&M University
9 System, in making just and equitable appropriations to Texas A&M
10 University and Prairie View A&M University, shall exercise its
11 discretion with due regard to such criteria as the board may deem
12 appropriate from year to year, taking into account all amounts
13 appropriated from Subsection (d) of this section. Out of the other
14 two-thirds of the Available University Fund there shall be
15 appropriated an annual sum sufficient to pay the principal and
16 interest due on the bonds and notes issued by the board of regents
17 of The University of Texas System under this section and prior law,
18 and the remainder of such two-thirds of the Available University
19 Fund, shall be appropriated for the support and maintenance of The
20 University of Texas at Austin and The University of Texas System
21 administration.

22 (d) It is provided, however, that, for ten years beginning
23 September 1, 1984, before any other allocation is made of The
24 University of Texas System's two-thirds share of the Available
25 University Fund, \$6 million per year shall be appropriated out of
26 that share to the board of regents of The Texas A&M University
27 System for said board's use in making appropriations to Prairie View
28 A&M University. This subsection expires and is deleted from this

1 constitution on August 31, 1994.

2 (e) The bonds and notes issued under this Section shall be
3 payable solely out of the Available University Fund, mature serially
4 or otherwise in not more than 30 years from their respective dates,
5 and be sold only through competitive bidding. All of these bonds
6 and notes are subject to approval by the Attorney General and when
7 so approved are incontestable. The Permanent University Fund may be
8 invested in these bonds and notes.

9 (f) Other than the appropriations required in this Section
10 from the Available University Fund, the state systems and institu-
11 tions of higher education designated in this Section may not receive
12 any funds from the general revenue of the State for acquiring land
13 with or without permanent improvements, for constructing or equip-
14 ping buildings or other permanent improvements, or for major repair
15 and rehabilitation of existing buildings or other permanent improve-
16 ments, except that in the case of fire or natural disaster the
17 legislature may appropriate from the general revenue an amount
18 sufficient to replace any uninsured loss so incurred. This
19 Subsection does not apply to legislative appropriations made prior
20 to the adoption of this amendment.

21 (g) This Section is self-enacting on the issuance of the
22 Governor's proclamation declaring the adoption of this amendment,
23 and the State Comptroller of Public Accounts and the State
24 Treasurer shall do all things necessary to effectuate this Section.
25 This Section does not impair any obligation created by the issuance
26 of bonds or notes in accordance with prior law, and all outstanding
27 bonds and notes shall be paid in full, both principal and interest,
28 in accordance with their terms. If the provisions of this Section

1 conflict with any other provision of this Constitution, then the
2 provisions of this Section shall prevail, notwithstanding any such
3 conflicting provisions.

4 SECTION 4. This proposed constitutional amendment shall be
5 submitted to the voters at an election to be held on November 8,
6 1983. The ballot shall be printed to provide for voting for or
7 against the proposition: "The constitutional amendment to provide
8 funds for support of higher education and to restructure the
9 permanent university fund."

1983 FEB 16 AM 8:12

HOUSE OF REPRESENTATIVES

HOUSE

COMMITTEE REPORT

1st Printing

By Delco, et al.

H.J.R. No. 19

Substitute the following for H.J.R. No. 19:

By Delco

C.S.H.J.R. No. 19

A JOINT RESOLUTION

1 proposing a constitutional amendment to provide funds for the
2 support of higher education and to restructure the permanent
3 university fund.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. That Article VII of the Texas Constitution be
6 amended by adding Section 17 to read as follows:

7 Section 17. (a) In the fiscal year beginning September 1,
8 1984, and each fiscal year thereafter, there is hereby appropriated
9 out of the first money coming into the general revenue fund the
10 following amounts to be used by eligible agencies and institutions
11 of higher education for the purpose of acquiring land either with
12 or without permanent improvements, constructing and equipping
13 buildings or other permanent improvements, major repair or
14 rehabilitation of existing buildings or other permanent
15 improvements, and acquisition of capital equipment, library books
16 and library materials. In the fiscal year beginning September 1,
17 1984, \$125 million is hereby appropriated. In the fiscal year
18 beginning September 1, 1985, and each fiscal year thereafter, there
19 is hereby appropriated an amount equal to the previous year's
20 appropriation adjusted upward by a factor equal to any percentage
21 increase in the cost of goods and services for the previous
22 calendar year as reflected in the All Items Category of the
23 Consumer Price Index--U.S. Average for all Urban Consumers--Annual
24 Average (published in January of each year for the preceding year

1 by the Bureau of Labor Statistics of the U.S. Department of Labor)
2 or its successor. The State Comptroller of Public Accounts shall
3 apply the factor to determine the amount appropriated hereunder.

4 (b) The funds appropriated under Subsection (a) of this
5 section shall be for the use of the following eligible agencies and
6 institutions of higher education (even though their names may be
7 changed) together with any additional institutions of higher
8 education which are not component institutions of The Texas A&M
9 University System or The University of Texas System which may be
10 created at a later date by general law:

11 (1) East Texas State University including East Texas State
12 University at Texarkana;

13 (2) Lamar University including Lamar University at Orange
14 and Lamar University at Port Arthur;

15 (3) Midwestern State University;

16 (4) North Texas State University;

17 (5) Pan American University including Pan American
18 University at Brownsville;

19 (6) Stephen F. Austin State University;

20 (7) Texas College of Osteopathic Medicine;

21 (8) Texas State University System Administration and its
22 component institutions, including:

23 (9) Angelo State University;

24 (10) Sam Houston State University;

25 (11) Southwest Texas State University;

26 (12) Sul Ross State University including Uvalde Study
27 Center;

- 1 (13) Texas Southern University;
2 (14) Texas Tech University;
3 (15) Texas Tech University Health Sciences Center;
4 (16) Texas Woman's University;
5 (17) University of Houston System Administration and its
6 component institutions, including:
7 (18) University of Houston Central Campus including
8 University of Houston Center at Victoria;
9 (19) University of Houston at Clear Lake City;
10 (20) University of Houston Downtown College;
11 (21) University System of South Texas System Administration
12 and its component institutions, including:
13 (22) Corpus Christi State University;
14 (23) Laredo State University;
15 (24) Texas A&I University;
16 (25) West Texas State University.

17 (c) In the year 1985 and every ten years thereafter, the
18 legislature or an agency designated by the legislature whose board
19 is appointed by the Governor and confirmed by the Senate no later
20 than August 31 of such year shall allocate by equitable formula the
21 annual appropriations made under Subsection (a) of this section to
22 the governing boards of eligible agencies and institutions of
23 higher education. The legislature shall review, or provide for a
24 review, of the allocation formula at the end of the fifth year of
25 each ten-year allocation period. At that time adjustments may be
26 made in the allocation formula, but no adjustment that will prevent
27 the payment of outstanding bonds and notes, both principal and

1 interest, may be made.

2 (d) Each governing board authorized to participate in the
3 distribution of monies under this section is authorized to expend
4 all monies distributed to it for any of the purposes enumerated in
5 Subsection (a). In addition, such governing board may issue bonds
6 and notes for the purposes of refunding bonds or notes issued under
7 this section or prior law, acquiring land either with or without
8 permanent improvements, constructing and equipping buildings or
9 other permanent improvements, and for major repair and
10 rehabilitation of existing buildings or other permanent
11 improvements, and may pledge up to 80 percent (80%) of the monies
12 allocated to such governing board pursuant to this section to
13 secure the payment of the principal and interest of such bonds or
14 notes. Proceeds from the issuance of bonds or notes under this
15 subsection shall be maintained in a local depository selected by
16 the governing board issuing the bonds or notes. The bonds and
17 notes issued under this subsection shall be payable solely out of
18 the monies appropriated by this section and shall mature serially
19 or otherwise in not more than ten years from their respective
20 dates. All bonds issued under this section shall be sold only
21 through competitive bidding and are subject to approval by the
22 Attorney General. Bonds approved by the Attorney General shall be
23 incontestable. The Permanent University Fund may be invested in
24 the bonds and notes issued under this section.

25 (e) Without the prior approval of the legislature or an
26 agency authorized by the legislature to grant the approval, the
27 funds appropriated by this section may not be used for the purpose

1 of constructing, equipping, repairing, or rehabilitating buildings
2 or other permanent improvements that are to be used for student
3 housing or intercollegiate athletics.

4 (f) Other than the appropriations required in this section
5 from the General Revenue Fund, the state systems and institutions
6 of higher education designated in this section may not receive any
7 funds from the general revenue of the State for acquiring land with
8 or without permanent improvements, for constructing or equipping
9 buildings or other permanent improvements, or for major repair and
10 rehabilitation of existing buildings or other permanent
11 improvements, except that in the case of fire or natural disaster
12 the legislature may appropriate from the general revenue an amount
13 sufficient to replace any uninsured loss so incurred. This
14 subsection does not apply to legislative appropriations made prior
15 to the adoption of this amendment.

16 (g) The Comptroller of Public Accounts shall make annual
17 transfers of the funds allocated pursuant to Subsection (c)
18 directly to the governing boards of the eligible institutions.

19 (h) All new construction projects undertaken by the
20 institutions listed in this section may be subject to review by the
21 legislature.

22 (i) This section is self-enacting upon the issuance of the
23 Governor's proclamation declaring the adoption of the amendment,
24 and the State Comptroller of Public Accounts and the State
25 Treasurer shall do all things necessary to effectuate this section.
26 This section does not impair any obligation created by the issuance
27 of any bonds and notes in accordance with prior law, and all

1 outstanding bonds and notes shall be paid in full, both principal
2 and interest, in accordance with their terms. If the provisions of
3 this section conflict with any other provisions of this
4 Constitution, then the provisions of this section shall prevail,
5 notwithstanding all such conflicting provisions.

6 SECTION 2. That Article VII, Section 14 of the Texas
7 Constitution be revised to read as follows:

8 Sec. 14. Prairie View A&M University in Waller County is an
9 institution of the first class under the direction of the same
10 governing board as Texas A&M University referred to in Article VII,
11 Section 13 of this constitution as the Agricultural and Mechanical
12 College of Texas.

13 SECTION 3. That Article VII, Section 18 of the Texas
14 Constitution be revised to read as follows:

15 Sec. 18. (a) The board of regents of The Texas A&M
16 University System may issue bonds and notes not to exceed a total
17 amount of 10 percent of the cost value of the investments and other
18 assets of the Permanent University Fund (exclusive of real estate)
19 at the time of the issuance thereof, and may pledge all or any part
20 of its one-third interest in the Available University Fund to
21 secure the payment of the principal and interest of those bonds and
22 notes, for the purpose of acquiring land either with or without
23 permanent improvements, constructing and equipping buildings or
24 other permanent improvements, major repair and rehabilitation of
25 existing buildings and other permanent improvements, acquiring
26 capital equipment and library books and library materials, and
27 refunding bonds or notes issued under this Section or prior law, at

1 or for The Texas A&M University System administration and the
2 following component institutions of the system:

3 (1) Texas A&M University, including its medical college
4 which the legislature may authorize as a separate medical
5 institution;

6 (2) Prairie View A&M University, including its nursing
7 school in Houston;

8 (3) Tarleton State University;

9 (4) Texas A&M University at Galveston (formerly Moody
10 College of Marine Sciences and Maritime Resources);

11 (5) Texas Forest Service;

12 (6) Texas Agricultural Experiment Stations;

13 (7) Texas Agricultural Extension Service;

14 (8) Texas Engineering Experiment Stations;

15 (9) Texas Transportation Institute; and

16 (10) Texas Engineering Extension Service.

17 (b) The Board of Regents of The University of Texas System
18 may issue bonds and notes not to exceed a total amount of 20
19 percent of the cost value of investments and other assets of the
20 Permanent University Fund (exclusive of real estate) at the time of
21 issuance thereof, and may pledge all or any part of its two-thirds
22 interest in the Available University Fund to secure the payment of
23 the principal and interest of those bonds and notes, for the
24 purpose of acquiring land either with or without permanent
25 improvements, constructing and equipping buildings or other
26 permanent improvements, major repair and rehabilitation of existing
27 buildings and other permanent improvements, acquiring capital

1 equipment and library books and library materials, and refunding
2 bonds or notes issued under this section or prior law, at or for
3 The University of Texas System administration and the following
4 component institutions of the System:

- 5 (1) The University of Texas at Arlington;
- 6 (2) The University of Texas at Austin;
- 7 (3) The University of Texas at Dallas;
- 8 (4) The University of Texas at El Paso;
- 9 (5) The University of Texas of the Permian Basin;
- 10 (6) The University of Texas at San Antonio;
- 11 (7) The University of Texas at Tyler;
- 12 (8) The University of Texas Health Science Center at Dallas;
- 13 (9) The University of Texas Medical Branch at Galveston;
- 14 (10) The University of Texas Health Science Center at
15 Houston;
- 16 (11) The University of Texas Health Science Center at San
17 Antonio;
- 18 (12) The University of Texas System Cancer Center;
- 19 (13) The University of Texas Health Center at Tyler; and
- 20 (14) The University of Texas Institute of Texan Cultures at
21 San Antonio.

22 (c) Without the prior approval of the legislature or an
23 agency authorized by the legislature to grant the approval, the
24 proceeds of the bonds or notes issued under Subsection (a) or (b)
25 of this section may not be used for the purpose of constructing,
26 equipping, repairing, or rehabilitating buildings or other
27 permanent improvements that are to be used for student housing or

1 intercollegiate athletics.

2 (d) The Available University Fund consists of the dividends,
3 interest and other income from the Permanent University Fund (less
4 administrative expenses) including the net income attributable to
5 the surface of Permanent University Fund land. Out of one-third of
6 the Available University Fund, there shall be appropriated an
7 annual sum sufficient to pay the principal and interest due on the
8 bonds and notes issued by the board of regents of The Texas A&M
9 University System under this section and prior law, and the
10 remainder of that one-third of the Available University Fund shall
11 be appropriated to the board of regents of The Texas A&M University
12 System which shall have the authority and duty in turn to
13 appropriate an equitable portion of the same for the support and
14 maintenance of The Texas A&M University System administration,
15 Texas A&M University, and Prairie View A&M University. The board
16 of regents of The Texas A&M University System, in making just and
17 equitable appropriations to Texas A&M University and Prairie View
18 A&M University, shall exercise its discretion with due regard to
19 such criteria as the board may deem appropriate from year to year,
20 taking into account all amounts appropriated from Subsection (e) of
21 this section. Out of the other two-thirds of the Available
22 University Fund there shall be appropriated an annual sum
23 sufficient to pay the principal and interest due on the bonds and
24 notes issued by the Board of Regents of The University of Texas
25 System under this section and prior law, and the remainder of such
26 two-thirds of the Available University Fund, shall be appropriated
27 for the support and maintenance of The University of Texas at

1 Austin and The University of Texas System administration.

2 (e) It is provided, however, that, for ten years beginning
3 September 1, 1983, before any other allocation is made of The
4 University of Texas System's two-thirds share of the Available
5 University Fund, remaining after payment of principal and interest
6 on its bonds and notes issued under this section and prior law, \$6
7 million per year shall be appropriated out of that share to the
8 board of regents of The Texas A&M University System for said
9 board's use in making appropriations to Prairie View A&M
10 University. This subsection expires and is deleted from this
11 constitution on August 31, 1993.

12 (f) The bonds and notes issued under this Section shall be
13 payable solely out of the Available University Fund, mature
14 serially or otherwise in not more than 30 years from their
15 respective dates, and, except for refunding bonds, be sold only
16 through competitive bidding. All of these bonds and notes are
17 subject to approval by the Attorney General and when so approved
18 are incontestable. The Permanent University Fund may be invested
19 in these bonds and notes.

20 (g) Other than the appropriations required in this section
21 from the Available University Fund, the state systems and
22 institutions of higher education designated in this section may not
23 receive any funds from the general revenue of the State for
24 acquiring land with or without permanent improvements, for
25 constructing or equipping buildings or other permanent
26 improvements, or for major repair and rehabilitation of existing
27 buildings or other permanent improvements, except that in the case

1 of fire or natural disaster the legislature may appropriate from
2 the general revenue an amount sufficient to replace any uninsured
3 loss so incurred. This subsection does not apply to legislative
4 appropriations made prior to the adoption of this amendment.

5 (h) All new construction projects undertaken by the
6 institutions listed in this section may be subject to review by the
7 legislature.

8 (i) This section is self-enacting on the issuance of the
9 Governor's proclamation declaring the adoption of this amendment,
10 and the State Comptroller of Public Accounts and the State
11 Treasurer shall do all things necessary to effectuate this section.
12 This section does not impair any obligation created by the issuance
13 of bonds or notes in accordance with prior law, and all outstanding
14 bonds and notes shall be paid in full, both principal and interest,
15 in accordance with their terms, and the changes herein made in the
16 allocation of the Available University Fund shall not affect the
17 pledges thereof made in connection with such bonds or notes
18 heretofore issued. If the provisions of this section conflict with
19 any other provision of this Constitution, then the provisions of
20 this section shall prevail, notwithstanding any such conflicting
21 provisions.

22 SECTION 4. This proposed constitutional amendment shall be
23 submitted to the voters at an election to be held on April 30,
24 1983. The ballot shall be printed to provide for voting for or
25 against the proposition: "The constitutional amendment to provide
26 funds for support of higher education and to restructure the
27 permanent university fund."

COMMITTEE REPORT

2-14-83

(date)

The Honorable Gib Lewis
Speaker of the House of Representatives

Sir:

We, your COMMITTEE ON HIGHER EDUCATION, to whom was referred HJR 19 have had the same under consideration and beg to report back with the recommendation that it (measure)

- () do pass, without amendment.
() do pass, with amendment(s).
(X) do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.

A fiscal note was requested. (X) yes () no

An author's fiscal statement was requested. () yes (X) no

An actuarial analysis was requested. () yes (X) no

The Committee recommends that this measure be placed on the ~~House~~ or ~~Senate~~ Calendar.

This measure (X) proposes new law. an amendment to the Constitution.
() amends existing law.

House Sponsor of Senate Measure _____

The measure was reported from Committee by the following vote:

	AYE	NAY	PNV	ABSENT
Delco, Ch.	X			
Colbert, V.C.	X			
Gibson, J., C.B.O.				X
Criss				X
Gavin	X			
Hudson, D.	X			
Oliveira	X			
Price	X			
Rangel				X

Total 6 aye
0 nay
0 present, not voting
3 absent

Michelle Silco
CHAIRMAN
Raymond
COMMITTEE COORDINATOR

BILL ANALYSIS

CSHJR 19
By Delco

Committee on Higher Education

BACKGROUND - College construction funding in Texas has been a source of much debate for many years and CSHJR 19 represents only the most recent attempt at resolving this problem. A short history of the development of funding for Texas' Public Institutions follows.

- 1845: First Texas Constitutional Convention—establishes precedents of state support for education through property taxes, and the dedication of a portion of the state's wealth and revenues to support education
- 1876: State support and dedication of wealth and revenues extended to higher education—creation of the Permanent University Fund
- 1947: Expansion of Permanent University Fund to include all component units of The University of Texas System and the Texas A&M University System then in existence; creation of the State Ad Valorem Tax Fund for all other public higher education units
- 1969- 1973: Addition of 15 new college and university campuses, with continued support for construction from direct legislative appropriations, student fee bonds, or a combination of both
- 1973: Constitutional Revision Commission recommends continuation of both Permanent University Fund and State Ad Valorem Tax Fund, with inclusion of all UT and TAMU components in PUF and all other schools in the Ad Valorem Tax Fund; recommends uses of both funds for support and maintenance of all higher education institutions to achieve first class status
- 1979: 66th Texas Legislature amends property tax code, virtually eliminates ad valorem tax collections, does not repeal constitutional restriction on general revenue appropriations for construction at ad valorem fund schools
- 1981: 67th Texas Legislature considers several proposals regarding changes in PUF and replacement funding for Ad Valorem Tax Fund schools, but no agreement is reached. Proposals considered include:
 - 1. Reinstatement of ad valorem tax
 - 2. Amendment of Texas Constitution to lower ad valorem tax
 - 3. Repeal of ad valorem tax
 - 4. Creation of a new fund from one or more of the following:
 - a. general revenue
 - b. Permanent School Fund
 - c. occupation taxes on oil and gas production (severance taxes)
 - d. surplus state funds
 - e. increased tuition
 - f. increased tobacco and alcohol taxes
 - g. Permanent University Fund

1982: State Ad Valorem Tax repealed

PURPOSE - To provide for a constitutionally guaranteed, comprehensive source of funding for all repair, renovation, new construction, permanent improvements, acquiring land, and acquiring capital equipment, library books, and library materials at all of Texas' public institutions of higher education by creating an annual constitutional appropriation to those public institutions outside the UT/A&M Systems and by increasing the number of UT/A&M component institutions eligible to share in the Permanent University Fund construction bond proceeds while also increasing those proceeds.

PURPOSE & SYNOPSIS - Section 1 of CSHJR 19 amends article VII, Section 17 of the Texas Constitution to provide for:

A. A constitutionally dedicated general revenue appropriation for use by institutions not eligible to participate in PUF/AUF. (3 system offices, 26 general academic campuses, and 2 medical schools).

B. Bonding authority (80% of amount of appropriation) for individual boards of regents for acquiring land, repair and renovation, new construction and equipping buildings, and other permanent improvements.

C. Appropriation of general revenue (\$125 million for the fiscal year beginning September 1, 1984, thereafter an amount equal to the previous year's appropriation adjusted upward by a factor equal to the previous year's percentage increase in the cost of goods and services as reflected in the All Items Category of the Consumer Price Index) to public institutions outside the UT/A&M Systems to be allocated by equitable formula by an agency designated by the legislature and to be used for purposes listed above in Purpose section.

D. Review of allocation formula by the Legislature or an agency designated by the legislature at the end of the fifth year of every ten year allocation period.

Section 2 of CSHJR 19 revises Article VII, Section 14 of the Texas Constitution to specify Prairie View A&M University by name as the third constitutionally established public institution of higher education as authorized by the Texas Constitution when written in 1876.

Section 3 of CSHJR 19 revises Article VII, Section 18 of the Texas Constitution to provide for:

A. Extension of Permanent University Fund/Available University Fund provisions of Article VII, Section 18, Texas Constitution to all 25 components of the Texas A&M University System and the University of Texas System.

B. Increased bonding authority from 20% to 30% of the value of Permanent University Fund.

C. A definition of the Available University Fund and its uses at the University of Texas, Texas A&M University, Prairie View A&M University, and the System's offices.

D. An allocation of \$6 million per year from the University of Texas' 2/3 share of the Available University Fund to the Texas A&M University System Board of Regents for the exclusive use at Prairie View A&M University. This provision of HJR 19 is to take effect on September 1, 1983 and expire on August 31, 1993.

Section 4 provides that this proposed constitutional amendment shall appear on the ballot on April 30, 1983 as "The Constitutional Amendment to provide funds for support of higher education and to restructure the Permanent University Fund".

RULEMAKING AUTHORITY - CSHJR 19 does not delegate any new rulemaking authority to a State officer, department, agency, or institution.

SUMMARY OF COMMITTEE ACTION - Public notice was posted in accordance with Rule 4, Section 12 Rules of Procedure of the House of Representatives and a public hearing was held on 2-14-83.

On that date, the full Committee voted to report HJR 19 as substituted and amended to the full House with the recommendation that it do pass by a record vote of 6 Ayes and 0 Nays.

Ken Ashworth, Commissioner of Higher Education testified on the HJR 19.

Duane Leach, Chairman, Council of Presidents, testified in favor of HJR 19.

John Kolb, Committee of Governing Boards, testified in favor of HJR 19.

Kirby M. Keahly, Architect with 3D/International, testified on the legislation.

E.D. Walker, Chancellor of the UT System, testified in favor of HJR 19.

Douglas James Meyers, Student Association, testified in favor of HJR 19.

John Hatch, Legislative Study Group (Texas A&M), testified in favor of HJR 19.

Arthur Hansen, Chancellor of the Texas A&M University System, testified in favor of HJR 19.

Percy Pierre, President of Prairie View A&M University, testified in favor of HJR 19.

No one testified against the measure.

COMPARISON OF ORIGINAL BILL TO SUBSTITUTE - The substitute bill adds three new provisions to HJR 19 - (e) and (f) on page 4 and (c) on page 7. (e) and (c) prohibit the use of funds appropriated by the constitutional amendment for auxillary enterprises. (f) prohibits the institutions listed on pages 2 and 3 from receiving appropriations from the general revenue fund other than those required by the HJR.

Further changes between the CSHJR and the HJR are the effective dates under (e) on page 8, from September 1, 1984 - August 31, 1994 to September 1, 1983 - August 31, 1993, and under Section 4. The election date for the constitutional amendment is provided for April 30, 1983 instead of November 2, 1983, as provided for in HJR 19. The Legislature reserves the right to review all new construction projects for institutions listed in both sections.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

April 11, 1983

Honorable Carl A. Parker, Chairman
Committee on Education
Senate Chamber
Austin, Texas

In Re: Committee Substitute for
House Joint Resolution No. 19,
as engrossed
By: Delco

Sir:

In response to your request for a Fiscal Note on Committee Substitute for House Joint Resolution No. 19, as engrossed (proposing a constitutional amendment to provide funds for the support of higher education and to restructure the permanent university fund) this office has determined the following:

Section 1 of the resolution makes an annual appropriation from the General Revenue Fund for distribution to agencies and institutions of higher education that do not share in the earnings of the Permanent University Fund (PUF). The appropriation for fiscal 1986 is \$125 million. The appropriation for subsequent years would be equal the \$125 million base but could be adjusted for any changes in the CPI as defined in the resolution. The Legislature would be responsible for determining the adjustment factor. The funds are to be used for acquiring land; constructing and equipping buildings and other permanent improvements; major repair and rehabilitation of existing buildings and improvements; acquisition of capital equipment, library books and materials.

The appropriations made in Section 1 would be allocated to the governing boards of eligible institutions by a formula to be determined by the Legislature or an agency designated by the Legislature. The governing boards may issue bonds and notes for the purpose of refunding other bonds and notes and for the purposes cited above, excluding acquisition of capital equipment, library books, and library materials. The boards may pledge up to 80% of their allocation of the annual appropriation to pay principal and interest. The funds made available by Section 1 could not be used for auxiliary purposes without prior legislative approval, and proceeds from bonds or notes issued could be retained in local accounts outside the State Treasury.

The Legislature may provide for role and scope review by an agency in the legislative branch of new construction projects undertaken by the institutions listed with funds derived through Section 1. If the agency determines that an institution is in the planning stages of beginning a new construction project that is not in its role and scope, the project can be suspended until legislative approval is acquired in the following regular session. The Legislature could also, through general law, dedicate portions of the state's revenues to the creation of a dedicated "Higher Education Fund" (HEF) for the purposes listed in subsection (a) of Section 1. In the fiscal year beginning after the fund reaches \$2 billion, the dedication of General Revenue Funds provided in subsection (a) would cease, and the revenue sources that were dedicated to the HEF would be applied to the Permanent School Fund. The principal of HEF could never be expended, would be invested in a fashion similar to the PUF, and the interest and other income earned from the fund would be expended for the same purposes already listed. Since the source of the revenue dedicated to build the HEF is not stipulated, the growth of this fund cannot be estimated accurately for the purposes of this fiscal note.

The annual appropriations, along with other provisions of Section 1, are self-enacting. Therefore, expenditure of some of the annual allocation and bond proceeds would not require legislative approval or appropriation, and the Legislature would have no authority to provide direction as to the use of some of the funds.

The probable cost of implementing the provisions of Section 1 during each of the first five years following passage is estimated as follows:

<u>Fiscal Year</u>	<u>Out of the General Revenue Fund*</u>
1984	-0-
1985	-0-
1986	\$125,000,000
1987	132,375,000
1988	140,582,250

* Inflation forecasts based on the Index for All Urban Consumers by Data Resources, Inc.

Section 3 of the resolution increases the bonding capacity of PUF from 20 percent to 30 percent of the cost value of PUF exclusive of real estate. Funds from these bonds and notes could be used at all Texas A&M University (TAMU) and The University of Texas (UT) component institutions for the same purposes described in Section 1. The funds made available by Section 3 could not be used for auxiliary purposes without prior legislative approval.

Section 3 of the resolution could result in a savings of general revenue by assuming use of PUF proceeds for projects at institutions previously not eligible for PUF proceeds. For comparative purposes, general revenue appropriations for the 1982-83 biennium for projects and acquisitions that would be covered by the provisions of this resolution at TAMU and UT components total \$18,853,169.

Additional square feet constructed by the increased bonding capacity could create a cost to the General Revenue Fund for utilities, custodial services, and building maintenance. The 1983 appropriated amount for those cost elements is \$3.74 per square foot per year. Using that rate, and assuming the additional square footage shown below, there would be additional costs to the General Revenue Fund as indicated.

<u>Fiscal Year</u>	<u>UT's Maximum Additional Bonds at 30%</u>	<u>TAMU's Maximum Additional Bonds at \$100/SF</u>	<u>Maximum Additional Square Footage at \$100/SF</u>	<u>Maximum Annual Additional Cost Out of the General Revenue Fund for Maintenance</u>
1984	\$190,000,000	\$95,000,000	2,661,468	\$ 9,953,890
1985	68,000,000	34,000,000	831,468	13,063,581
1986	75,000,000	37,400,000	935,468	16,562,231
1987	79,000,000	39,400,000	995,468	20,285,281
1988	85,000,000	42,400,000	1,085,468	24,344,932

At non-PUF components, the maximum impact on the General Revenue Fund, using the \$3.74 cost described above, could be as follows:

<u>Fiscal Year</u>	<u>Draw From the General Revenue Fund</u>	<u>Maximum Additional Square Footage at \$100/SF</u>	<u>Maximum Additional Cost Out of the General Revenue Fund for Maintenance</u>
1984	-0-	-0-	-0-
1985	-0-	-0-	-0-
1986	\$125,000,000	687,463	\$2,571,113
1987	132,375,000	761,213	5,418,051
1988	140,582,250	843,286	8,571,940

All PUF and non-PUF institutions remain eligible to receive General Revenue Funds for construction, land acquisition, major repair and rehabilitation, capital equipment, library books, and materials. The Legislature may provide for role and scope review by an agency in the legislative branch of new construction projects undertaken by the institutions

listed in Section 3 except The University of Texas at Austin, Texas A&M University, and Prairie View A&M University with funds derived through Section 3. If the agency determines that an institution is in the planning stages of beginning a new construction project that is not in its role and scope, the project can be suspended until legislative approval is acquired in the following regular session.

Section 3 also provides for an annual allocation of \$6 million for ten years to be transferred from the UT System's share of the AUF to the TAMU System for use by PVAMU.

Similar annual fiscal implications would continue as long as the provisions of the amendment are in effect.

The proposed amendment would be submitted for voter approval on November 6, 1984.

The cost of publication of the resolution is estimated at \$47,750.

The fiscal implication to units of local government would depend on the taxable value of land that may be acquired and thereby become exempt from local taxes.


Jim Oliver
Director

Source: Comptroller of Public Accounts; Coordinating Board;
Attorney General's Office; The University of Texas System;
Secretary of State; LBB Staff: JO, JH, WRR, BL

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

March 1, 1983

Honorable Carl A. Parker, Chairman
Committee on Education
Senate Chamber
Austin, Texas

In Re: House Joint Resolution No. 19,
as engrossed
By: Delco, et al

Sir:

In response to your request for a Fiscal Note on House Joint Resolution No. 19, as engrossed (proposing a constitutional amendment to provide funds for the support of higher education and to restructure the permanent university fund), this office has determined the following:

Section 1 of the resolution makes an annual appropriation from the General Revenue Fund for distribution to agencies and institutions of higher education that do not share in the earnings of the Permanent University Fund (PUF). The appropriation for fiscal 1985 is \$75 million. The appropriation for subsequent years would be \$75 million but the Legislature may appropriate additional amounts to the funds from revenues produced by increased tuition at all eligible agencies and institutions. The funds are to be used for acquiring land; constructing and equipping buildings and other permanent improvements; major repair and rehabilitation of existing buildings and improvements; acquisition of capital equipment, library books and materials. In addition, any revenue generated by a federal lease of land in the outer continental shelf and allocated to Texas under Section 8(g), of the Outer Continental Shelf Lands Act would be deposited to the credit of a special fund in the state treasury. The principal of the fund may not be appropriated but the income would be appropriated for the above specified purposes. For any year in which all or part of that income is appropriated, the above general revenue appropriation would be reduced by an equivalent amount. The Legislature may provide by law for the deposit to the credit of the Permanent School Fund of revenues in excess of the amount necessary to generate income to replace fully the general revenue appropriation.

The appropriations made in Section 1 would be allocated to the governing boards of eligible institutions by a formula to be determined by the Legislature or an agency designated by the Legislature. The Legislature may provide by law for a single agency to issue bonds and notes for the eligible institutions for refunding bonds or notes issued under Section 1 and for the purposes cited above, excluding acquisition of capital equipment, library books, and library materials. The total amount of bonds may not exceed the amount for which principal and interest is payable from 80% of the total appropriations from Section 1. Proceeds from the bonds would be allocated in the same manner as the appropriations under Section 1 and the agency issuing the bonds could pledge the appropriations to the payment of principal and interest on the bonds and notes.

The funds appropriated by Section 1 would not be able to be used without legislative approval for constructing, equipping, repairing, or rehabilitating buildings or other permanent improvements that are to be used for student, presidential, chancellor, faculty, or staff housing; intercollegiate athletics; or auxiliary enterprises. All institutions or agencies eligible to receive funds appropriated in Section 1 could not receive additional General Revenue Funds for acquiring land, constructing or equipping buildings or other permanent improvements, or for major repair and rehabilitation of existing buildings and improvements except in the case of fire or natural disaster. All new construction projects are subject to review and prior approval by the Legislature or an agency designated by the Legislature. Funds appropriated under Section 1 could not be expended without prior legislative approval for acquiring land and constructing and equipping buildings or other permanent improvements for a branch campus or educational center that is not a separate degree-granting institution created by general law. In addition to the other purposes provided by Subsection (a) of Section 1, the Legislature could authorize an agency or institution to spend appropriations or bond proceeds for utility costs associated with a building or other permanent improvement acquired or constructed with appropriations or bond proceeds

authorized by the section. The annual appropriations, along with other provisions of Section 1, are self-enacting.

The probable cost of implementing the provisions of Section 1 during each of the first five years following passage is estimated as follows:

<u>Fiscal Year</u>	<u>Out of the General Revenue Fund</u>
1984	-0-
1985	\$75,000,000
1986	75,000,000
1987	75,000,000
1988	75,000,000

Section 3 of the resolution increases the bonding capacity of PUF from 20 percent to 30 percent of the cost value of PUF exclusive of real estate. Funds from these bonds and notes could be used at all Texas A&M University (TAMU) and University of Texas (UT) component institutions for the same purposes described in Section 1.

Section 3 of the resolution could result in a savings of general revenue by assuming use of PUF proceeds for projects at institutions previously not eligible for PUF proceeds. For comparative purposes, general revenue appropriations for the 1982-83 biennium for projects and acquisitions that would be covered by the provisions of this resolution at TAMU and UT components total \$18,853,169.

Additional square feet constructed by the increased bonding capacity could create a cost to the General Revenue Fund for utilities, custodial services, and building maintenance. The 1983 appropriated amount for those cost elements is \$3.74 per square foot per year. Using that rate, and assuming the additional square footage shown below, there could be additional costs to the General Revenue Fund as indicated.

<u>Fiscal Year</u>	<u>UT's Maximum Additional Bonds at 30%</u>	<u>TAMU's Maximum Additional Bonds at \$100/SF</u>	<u>Maximum Additional Square Footage at \$100/SF</u>	<u>Maximum Annual Additional Cost Out of the General Revenue Fund for Maintenance</u>
1984	\$190,000,000	\$95,000,000	2,661,468	\$ 9,953,890
1985	68,000,000	34,000,000	831,468	13,063,581
1986	75,000,000	37,400,000	935,468	16,562,231
1987	79,000,000	39,400,000	995,468	20,285,281
1988	85,000,000	42,400,000	1,085,468	24,344,932

At non-PUF components, the maximum impact on the General Revenue Fund, using the \$3.74 cost described above, could be as follows:

<u>Fiscal Year</u>	<u>Draw From the General Revenue Fund</u>	<u>Maximum Additional Square Footage at \$100/SF</u>	<u>Maximum Additional Cost Out of the General Revenue Fund for Maintenance</u>
1984	0	0	0
1985	\$75,000,000	187,463	\$ 701,112
1986	75,000,000	187,463	1,402,223
1987	75,000,000	187,463	2,103,335
1988	75,000,000	187,463	2,804,446

All PUF institutions would be prohibited from receiving General Revenue Funds for land acquisition, new construction, and major repair and rehabilitation except in the case of fire or natural disaster. The proceeds of the bonds or notes issued under Subsection (a) or (b) of Section 3 could not be used without prior legislative approval for constructing, equipping, repairing, or rehabilitating buildings or other permanent improvements that are to be used for student housing, intercollegiate athletics, or auxiliary enterprises.

All new construction projects undertaken by an agency or institution benefitting from bonds issued under Section 3 would be subject to review and prior approval by the Legislature or an agency designated by the Legislature. Bond proceeds issued under Section 3 could not be expended without prior legislative approval for acquiring land and constructing and equipping buildings or other permanent improvements for a branch campus or educational center that is not a separate degree-granting institution created by general law. In addition to the other purposes provided by Subsections (a) and (b) of Section 3, the Legislature could authorize an agency or institution to expend bond proceeds for utility costs associated with a building or other permanent improvement acquired or constructed with bond proceeds authorized by the section. The provisions of Section 3 are self-enacting.

Section 3 also provides for an annual allocation of \$6 million for ten years to be transferred from the UT System's share of the AUF to the TAMU System for use by Prairie View A&M University (PVAMU).

Similar annual fiscal implications would continue as long as the provisions of the amendment are in effect.

The proposed amendment would be submitted for voter approval on April 30, 1983.

The cost of publication of the resolution is estimated at \$47,750.

The fiscal implication to units of local government would depend on the taxable value of land that may be acquired and thereby become exempt from local taxes.


Jim Oliver
Director

Source: Comptroller of Public Accounts; Coordinating Board;
Attorney General's Office; University of Texas System;
Secretary of State; LBB Staff: JO, JH, WRR, LV

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

February 15, 1983

Honorable Wilhelmina Delco, Chair
Committee on Higher Education
House of Representatives
Austin, Texas

In Re: Committee Substitute for
House Joint Resolution No. 19

Representative Delco:

In response to your request for a Fiscal Note on Committee Substitute for House Joint Resolution No. 19 (proposing a constitutional amendment to provide funds for the support of higher education and to restructure the permanent university fund) this office has determined the following:

Section 1 of the resolution makes an annual appropriation from the General Revenue Fund for distribution to agencies and institutions of higher education that do not share in the earnings of the Permanent University Fund (PUF). The appropriation for fiscal 1985 is \$125 million. The appropriation for subsequent years would be equal to the \$125 million base, adjusted for any changes in the CPI as defined in the resolution. The Comptroller would be responsible for determining the adjustment factor. The funds are to be used for acquiring land; constructing and equipping buildings and other permanent improvements; major repair and rehabilitation of existing buildings and improvements; acquisition of capital equipment, library books and materials.

The appropriations made in Section 1 would be allocated by a formula to be determined by the Legislature or an agency designated by the Legislature. The governing boards may issue bonds and notes for the purpose of refunding other bonds and notes and for the purposes cited above, excluding acquisition of capital equipment, library books, and library materials. The boards may pledge up to 80% of their allocation of the annual appropriation to pay principal and interest.

Presumably the proceeds could be used to refund any kind of bond, including but not limited to building use fee bonds, combined use fee bonds, and auxiliary enterprise bonds. Proceeds from bonds or notes issued could be retained in local accounts outside the state treasury.

Section 3 of the resolution increases the bonding capacity of PUF from 20 percent to 30 percent of the value of PUF exclusive of real estate. Funds from these bonds and notes could be used at all Texas A&M University (TAMU) and University of Texas (UT) component institutions for the same purposes described in Section 1. The actual level of debt issued by the TAMU and UT systems would depend on future board actions and is not estimated for purposes of this fiscal note.

The income from PUF, the Available University Fund (AUF), could be used as follows: one-third for paying principal and interest on bonds from TAMU System's share of the PUF, and for supporting and maintaining the TAMU system administration, TAMU, and Prairie View A&M University (PVAMU); and, two-thirds for paying principal and interest on bonds from UT System's share of the PUF, and for supporting and maintaining UT-Austin and the UT system administration.

Section 3 of the resolution could result in a savings of general revenue by assuming use of PUF proceeds projects at institutions previously not eligible for PUF proceeds. For comparative purposes 1982-1983 general revenue appropriations for projects and acquisitions that would be covered by the provisions of this resolution at TAMU and UT components total \$18,853,169. However, any additional square feet constructed by the bonding capacity that are educational and general in nature could be a cost to the General Revenue Fund. The 1983 appropriated amount from general revenue for utilities, custodial services, and building maintenance is \$3.74 per square foot. For instance, if the amendment is adopted, the impact on increasing the UT bonding capacity from PUF would be:

<u>Fiscal Year</u>	<u>Maximum Additional Bonds at 30%</u>	<u>Maximum Additional Square Footage at \$100/SF</u>	<u>Maximum Annual Additional Cost Out of the General Revenue Fund for Maintenance</u>
1984	\$190,000,000	1,820,999	\$ 6,810,536
1985	68,000,000	600,999	9,058,272
1986	75,000,000	670,999	11,567,808
1987	79,000,000	710,999	14,226,944
1988	85,000,000	770,999	17,110,480

Again, for comparative purposes, 1982-1983 general revenue appropriations for projects and acquisitions that would be covered by the provisions of the resolution at non-PUF components total \$56,253,662. Any additional square feet constructed from the first draw on general revenue specified in Section 1 of the resolution that are educational and general in nature could be a cost to the General Revenue Fund. Using the \$3.74 per square foot per year for maintenance described above, the maximum impact on the General Revenue Fund would be:

<u>Fiscal Year</u>	<u>Draw From the General Revenue Fund</u>	<u>Maximum Additional Square Footage at \$100/SF</u>	<u>Maximum Additional Cost Out of the General Revenue Fund for Maintenance</u>
1984	0	0	0
1985	\$125,000,000	687,463	\$2,571,113
1986	132,125,000	758,713	5,408,698
1987	139,920,000	836,663	8,537,818
1988	148,595,000	923,413	11,991,382

All institutions affected by the resolution would be prohibited from receiving General Revenue Funds for land acquisition, new construction, and major repair and rehabilitation except in the case of fire or natural disaster.

Section 3 also provides for an annual allocation beginning September 1, 1983 of \$6 million for ten years to be transferred from UT system's share of the AUF to TAMU system for use by PVAMU.

The proposed amendment would be submitted for voter approval on April 30, 1983.

The probable cost of and revenue transfer from implementing the provisions of the resolution during each of the first five years following passage is estimated as follows:

<u>Fiscal Year</u>	<u>Out of the General Revenue Fund*</u>
1984	0
1985	\$125,000,000
1986	132,125,000
1987	139,920,000
1988	148,595,000

* Inflation forecasts based on the index for All Urban Consumers by Data Resources, Inc.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

February 15, 1983

Honorable Wilhelmina Delco, Chair
Committee on Higher Education
House of Representatives
Austin, Texas

In Re: Committee Substitute for
House Joint Resolution No. 19

Representative Delco:

In response to your request for a Fiscal Note on Committee Substitute for House Joint Resolution No. 19 (proposing a constitutional amendment to provide funds for the support of higher education and to restructure the permanent university fund) this office has determined the following:

Section 1 of the resolution makes an annual appropriation from the General Revenue Fund for distribution to agencies and institutions of higher education that do not share in the earnings of the Permanent University Fund (PUF). The appropriation for fiscal 1985 is \$125 million. The appropriation for subsequent years would be equal to the \$125 million base, adjusted for any changes in the CPI as defined in the resolution. The Comptroller would be responsible for determining the adjustment factor. The funds are to be used for acquiring land; constructing and equipping buildings and other permanent improvements; major repair and rehabilitation of existing buildings and improvements; acquisition of capital equipment, library books and materials.

The appropriations made in Section 1 would be allocated by a formula to be determined by the Legislature or an agency designated by the Legislature. The governing boards may issue bonds and notes for the purpose of refunding other bonds and notes and for the purposes cited above, excluding acquisition of capital equipment, library books, and library materials. The boards may pledge up to 80% of their allocation of the annual appropriation to pay principal and interest.

Presumably the proceeds could be used to refund any kind of bond, including but not limited to building use fee bonds, combined use fee bonds, and auxiliary enterprise bonds. Proceeds from bonds or notes issued could be retained in local accounts outside the state treasury.

Section 3 of the resolution increases the bonding capacity of PUF from 20 percent to 30 percent of the value of PUF exclusive of real estate. Funds from these bonds and notes could be used at all Texas A&M University (TAMU) and University of Texas (UT) component institutions for the same purposes described in Section 1. The actual level of debt issued by the TAMU and UT systems would depend on future board actions and is not estimated for purposes of this fiscal note.

The income from PUF, the Available University Fund (AUF), could be used as follows: one-third for paying principal and interest on bonds from TAMU System's share of the PUF, and for supporting and maintaining the TAMU system administration, TAMU, and Prairie View A&M University (PVAMU); and, two-thirds for paying principal and interest on bonds from UT System's share of the PUF, and for supporting and maintaining UT-Austin and the UT system administration.

Section 3 of the resolution could result in a savings of general revenue by assuming use of PUF proceeds projects at institutions previously not eligible for PUF proceeds. For comparative purposes 1982-1983 general revenue appropriations for projects and acquisitions that would be covered by the provisions of this resolution at TAMU and UT components total \$18,853,169. However, any additional square feet constructed by the bonding capacity that are educational and general in nature could be a cost to the General Revenue Fund. The 1983 appropriated amount from general revenue for utilities, custodial services, and building maintenance is \$3.74 per square foot. For instance, if the amendment is adopted, the impact on increasing the UT bonding capacity from PUF would be:

<u>Fiscal Year</u>	<u>Maximum Additional Bonds at 30%</u>	<u>Maximum Additional Square Footage at \$100/SF</u>	<u>Maximum Annual Additional Cost Out of the General Revenue Fund for Maintenance</u>
1984	\$190,000,000	1,820,999	\$ 6,810,536
1985	68,000,000	600,999	9,058,272
1986	75,000,000	670,999	11,567,808
1987	79,000,000	710,999	14,226,944
1988	85,000,000	770,999	17,110,480

Again, for comparative purposes, 1982-1983 general revenue appropriations for projects and acquisitions that would be covered by the provisions of the resolution at non-PUF components total \$56,253,662. Any additional square feet constructed from the first draw on general revenue specified in Section 1 of the resolution that are educational and general in nature could be a cost to the General Revenue Fund. Using the \$3.74 per square foot per year for maintenance described above, the maximum impact on the General Revenue Fund would be:

<u>Fiscal Year</u>	<u>Draw From the General Revenue Fund</u>	<u>Maximum Additional Square Footage at \$100/SF</u>	<u>Maximum Additional Cost Out of the General Revenue Fund for Maintenance</u>
1984	0	0	0
1985	\$125,000,000	687,463	\$2,571,113
1986	132,125,000	758,713	5,408,698
1987	139,920,000	836,663	8,537,818
1988	148,595,000	923,413	11,991,382

All institutions affected by the resolution would be prohibited from receiving General Revenue Funds for land acquisition, new construction, and major repair and rehabilitation except in the case of fire or natural disaster.

Section 3 also provides for an annual allocation beginning September 1, 1983 of \$6 million for ten years to be transferred from UT system's share of the AUF to TAMU system for use by PVAMU.

The proposed amendment would be submitted for voter approval on April 30, 1983.

The probable cost of and revenue transfer from implementing the provisions of the resolution during each of the first five years following passage is estimated as follows:

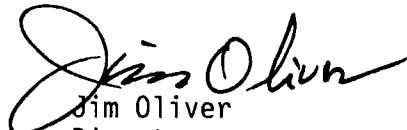
<u>Fiscal Year</u>	<u>Out of the General Revenue Fund*</u>
1984	0
1985	\$125,000,000
1986	132,125,000
1987	139,920,000
1988	148,595,000

* Inflation forecasts based on the index for All Urban Consumers by Data Resources, Inc.

Similar annual fiscal implications would continue as long as the provisions of the resolution are in effect.

If the Legislature approves the proposed amendment for placement on the ballot, a cost for publication would be incurred. The cost of publication of resolutions, prior to election, has been included for the Secretary of State in the General Appropriations Bill, as introduced. The funding would cover the costs of publishing approximately nine amendment summaries. If more than nine constitutional amendments are proposed by the Legislature, it would be necessary to increase the general appropriation for advertising each additional constitutional amendment by approximately \$62,950.

The fiscal implication to units of local government would depend on the taxable value of land that may be acquired and thereby become exempt from local taxes.


Jim Oliver
Director

Source: Comptroller of Public Accounts; Coordinating Board;
Attorney General's Office; University of Texas System;
Secretary of State; LBB Staff: JO, JH, WRR, LV

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

February 14, 1983

RECEIVED FEB 14 1983

Honorable Wilhelmina Delco, Chair
Committee on Higher Education
House of Representatives
Austin, Texas

In Re: House Joint Resolution No. 19
By: Delco

Representative Delco:

In response to your request for a Fiscal Note on House Joint Resolution No. 19 (proposing a constitutional amendment to provide funds for the support of higher education and to restructure the permanent university fund) this office has determined the following:

Section 1 of the resolution makes an annual appropriation from the General Revenue Fund for distribution to agencies and institutions of higher education that do not share in the earnings of the Permanent University Fund (PUF). The appropriation for fiscal 1985 is \$125 million. The appropriation for subsequent years would be equal to the \$125 million base, adjusted for any changes in the CPI as defined in the resolution. The Comptroller would be responsible for determining the adjustment factor. The funds are to be used for acquiring land; constructing and equipping buildings and other permanent improvements; major repair and rehabilitation of existing buildings and improvements; acquisition of capital equipment, library books and materials.

The appropriations made in Section 1 would be allocated by a formula to be determined by the Legislature or an agency designated by the Legislature. The governing boards may issue bonds and notes for the purpose of refunding other bonds and notes and for the purposes cited above, excluding acquisition of capital equipment, library books, and library materials. The boards may pledge up to 80% of its allocation of the annual appropriation to pay principal and interest.

Presumably the proceeds could be used to refund any kind of bond, including but not limited to building use fee bonds, combined use fee bonds, and auxiliary enterprise bonds. Proceeds from bonds or notes issued could be retained in local accounts outside the state treasury. Funds appropriated in Section 1 of this resolution could be used for non-educational and general purposes including auxiliary enterprises.

Expenditure of the annual allocation and bond proceeds would not require legislative approval or appropriation.

Section 3 of the resolution increases the bonding capacity of PUF from 20 percent to 30 percent of the value of PUF exclusive of real estate. Funds from these bonds and notes could be used at all Texas A&M University (TAMU) and University of Texas (UT) component institutions for the same purposes described in Section 1. The actual level of debt issued by the TAMU and UT systems would depend on future board actions and is not estimated for purposes of this fiscal note.

The income from PUF, the Available University Fund (AUF), could be used as follows: one-third for paying principal and interest on bonds from TAMU System's share of the PUF, and for supporting and maintaining the TAMU system administration, TAMU, and Prairie View A&M University (PVAMU); and, two-thirds for paying principal and interest on bonds from UT System's share of the PUF, and for supporting and maintaining UT-Austin and the UT system administration.

Section 3 of the resolution could result in a savings of general revenue by assuming use of PUF proceeds projects at institutions previously not eligible for PUF proceeds. For comparative purposes 1982-1983 general revenue appropriations for projects and acquisitions that would be covered by the provisions of this resolution at TAMU and UT components total \$18,853,169. However, any additional square feet constructed by the bonding capacity that are educational and general in nature could be a cost to the General Revenue Fund. The 1983 appropriated amount from general revenue for utilities, custodial services, and building maintenance is \$3.74 per square foot. For instance, if the amendment is adopted, the impact on increasing the UT bonding capacity from PUF would be:

<u>Fiscal Year</u>	<u>Maximum Additional Bonds at 30%</u>	<u>Maximum Additional Square Footage at \$100/SF</u>	<u>Maximum Annual Additional Cost Out of the General Revenue Fund for Maintenance</u>
1984	\$190,000,000	1,820,999	\$ 6,810,536
1985	68,000,000	600,999	9,058,272
1986	75,000,000	670,999	11,567,808
1987	79,000,000	710,999	14,226,944
1988	85,000,000	770,999	17,110,480

Again, for comparative purposes, 1982-1983 general revenue appropriations for projects and acquisitions that would be covered by the provisions of the resolution at non-PUF components total \$56,253,662. Any additional square feet constructed from the first draw on general revenue specified in Section 1 of the resolution that are educational and general in nature could be a cost to the General Revenue Fund. Using the \$3.74 per square foot per year for maintenance described above, the maximum impact on the General Revenue Fund would be:

<u>Fiscal Year</u>	<u>Draw From the General Revenue Fund</u>	<u>Maximum Additional Square Footage at \$100/SF</u>	<u>Maximum Additional Cost Out of the General Revenue Fund for Maintenance</u>
1984	0	0	0
1985	\$125,000,000	687,463	\$2,571,113
1986	132,125,000	758,713	5,408,698
1987	139,920,000	836,663	8,537,818
1988	148,595,000	923,413	11,991,382

All PUF institutions would be prohibited from receiving General Revenue Funds for land acquisition, new construction, and major repair and rehabilitation except in the case of fire or natural disaster. Non-PUF institutions remain eligible to receive General Revenue Funds for construction, land acquisition, major repair and rehabilitation, capital equipment, library books, and materials.

Section 3 also provides for an annual allocation of \$6 million for ten years to be transferred from UT system's share of the AUF to TAMU system for use by PVAMU. PUF proceeds could replace the transferred AUF for UT-Austin capital improvements.

The proposed amendment would be submitted for voter approval on November 8, 1983.

The probable cost of and revenue transfer from implementing the provisions of the resolution during each of the first five years following passage is estimated as follows:


<u>Fiscal Year</u>	<u>Out of the General Revenue Fund*</u>	<u>Transfer From UT System's AUF to TAMU System's AUF for PVAMU</u>
1984	0	0
1985	\$125,000,000	\$6,000,000
1986	132,125,000	6,000,000
1987	139,920,000	6,000,000
1988	138,595,000	6,000,000

* Inflation forecasts based on the index for All Urban Consumers by Data Resources, Inc.

Similar annual fiscal implications would continue as long as the provisions of the resolution are in effect.

If the Legislature approves the proposed amendment for placement on the ballot, a cost for publication would be incurred. The cost of publication of resolutions, prior to election, has been included for the Secretary of State in the General Appropriations Bill, as introduced. The funding would cover the costs of publishing approximately nine amendment summaries. If more than nine constitutional amendments are proposed by the Legislature, it would be necessary to increase the general appropriation for advertising each additional constitutional amendment by approximately \$62,950.

The fiscal implication to units of local government would depend on the taxable value of land that may be acquired and thereby become exempt from local taxes.


Jim Oliver
Director

Source: Comptroller of Public Accounts; Coordinating Board;
Attorney General's Office; University of Texas System;
Secretary of State; LBB Staff: JO, JH, WRR, LV

Tow
g. Gibson
Writing
Messer
Criss

Barrington Watson Price D. Harrison Patrone
Burnett Hubialk A. Moreno Hightower T. Smith
Stiles Shaw Cary Short Danburg
GILLEY Patricia Gavin Jones T. Garcia
DANBURG Crockett S. Evans Ward Green
E. BARTON M. Garcia Oliver Colbert Clark
Oliviera S. Hudson Hernandez Denton J. J.R.

Horn
Rolle
Davis
Khaney
S. Hall
Haley
Pierce
Valkos

By Tele S. Thompson Rangel Schlueter
D. Hudson Clemons Amulister
Robinson

A JOINT RESOLUTION

proposing a constitutional amendment to provide funds for the
support of higher education and to restructure the permanent
university fund.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. That Article VII of the Texas Constitution be
amended by adding Section 17 to read as follows:

Section 17 (a) In the fiscal year beginning September 1, 1984,
and each fiscal year thereafter, there is hereby appropriated out of
the first money coming into the general revenue fund the following
amounts to be used by eligible agencies and institutions of higher
education for the purpose of acquiring land either with or without
permanent improvements, constructing and equipping buildings or
other permanent improvements, major repair or rehabilitation of
existing buildings or other permanent improvements, and acquisition
of capital equipment, library books and library materials. In the
fiscal year beginning September 1, 1984, \$125 million is hereby
appropriated. In the fiscal year beginning September 1, 1985, and
each fiscal year thereafter, there is hereby appropriated an amount
equal to the previous year's appropriation adjusted upward by a
factor equal to any percentage increase in the cost of goods and
services for the previous calendar year as reflected in the All
Items Category of the Consumer Price Index - U.S. Average for All
Urban Consumers - Annual Average (published in January of each year
for the preceeding year by the Bureau of Labor Statistics of the

A. Smith Robnett Keller Barlinga B. Hall
Roesnal Edwards Waldoop W. Harrison Kuehnel
Vowell E. Lee Wolons Hackney Mankins
Willis Hinojosa Finnell McWilliams
B. Gibson Collazo Wallace Blanton
Sutton B. Barton Cavazos Cain
Laney G. Hill Granoff Millsap
Gandy Parker Salinas Russell
Turner P. Moreno

FEB 22 1983

Adopted

as amended

Betty Murray
Chief Clerk
House of Representatives

By Delco, et al,

H.J.R. No. 19

Substitute the following for H.J.R. No. 19:

By Delco

C.S.H.J.R. No. 19

A JOINT RESOLUTION

1 proposing a constitutional amendment to provide funds for the support
2 of higher education and to restructure the permanent university fund.

3 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

4 SECTION 1. That Article VII of the Texas Constitution be amended
5 by adding Section 17 to read as follows:

6 Section 17. (a) In the fiscal year beginning September 1, 1984,
7 and each fiscal year thereafter, there is hereby appropriated out of
8 the first money coming into the general revenue fund the following
9 amounts to be used by eligible agencies and institutions of higher
10 education for the purpose of acquiring land either with or without
11 permanent improvements, constructing and equipping buildings or other
12 permanent improvements, major repair or rehabilitation of existing
13 buildings or other permanent improvements, and acquisition of capital
14 equipment, library books and library materials. In the fiscal year
15 beginning September 1, 1984, ^{\$175}~~\$125~~ million is hereby appropriated. In
16 the fiscal year beginning September 1, 1985, and each fiscal year
17 thereafter, ^{there is}~~there is~~ hereby appropriated an amount equal to the
18 previous year's appropriation adjusted upward by a factor equal to any
19 percentage increase in the cost of goods and services for the previous
20 calendar year as reflected in the All Items Category of the Consumer
21 Price Index -- U.S. Average for All Urban Consumers -- Annual Average
22 (published in January of each year for the preceding year by the
23 Bureau of Labor Statistics of the U.S. Department of Labor) or its
24 successor. The State Comptroller of Public Accounts shall apply the
25 factor to determine the amount appropriated hereunder.

Item 2 →

1 (b) The funds appropriated under Subsection (a) of this section
2 shall be for the use of the following eligible agencies and
3 institutions of higher education (even though their names may be
4 changed) together with any additional institutions of higher education
5 which are not component institutions of The Texas A&M University
6 System or The University of Texas System which may be created at a
7 later date by general law:

8 (1) East Texas State University, including East Texas State
9 University at Texarkana;

10 (2) Lamar University, including Lamar University at Orange and
11 Lamar University at Port Arthur;

12 (3) Midwestern State University;

13 (4) North Texas State University;

14 (5) Pan American University, including Pan American University
15 at Brownsville;

16 (6) Stephen F. Austin State University;

17 (7) Texas College of Osteopathic Medicine;

18 (8) Texas State University System Administration and its
19 component institutions, including:

20 41X (9) Angelo State University;

21 (10) Sam Houston State University;

22 (11) Southwest Texas State University;

23 (12) Sul Ross State University, including Uvalde Study
24 Center;

25 41 (13) Texas Southern University;

26 (14) Texas Tech University;

27 (15) Texas Tech University Health Sciences Center;

28 (16) Texas Woman's University;

29 (17) University of Houston System Administration and its
30 component institutions, including:

1 (18) University of Houston Central Campus, including
 2 University of Houston Center at Victoria;
 3 (19) University of Houston at Clear Lake City;
 4 (20) University of Houston Downtown College;
 5 (21) University System of South Texas System Administration and
 6 its component institutions, including:
 7 (22) Corpus Christi State University;
 8 (23) Laredo State University;
 9 (24) Texas A&I University;
 10 41 (25) West Texas State University.
 11 (c) In the year 1985 and every ten¹⁰ years thereafter, the
 12 legislature or an agency designated by the legislature whose board is
 13 appointed by the Governor and confirmed by the Senate no later than
 14 August 31 of such year shall allocate by equitable formula the annual
 15 appropriations made under Subsection (a) of this section to the
 16 governing boards of eligible agencies and institutions of higher
 17 education. The legislature shall review, or provide for a review, of
 18 the allocation formula at the end of the fifth year of each ten¹⁰-year
 19 allocation period. At that time adjustments may be made in the
 20 allocation formula, but no adjustment that will prevent the payment of
 21 outstanding bonds and notes, both principal and interest, may be made.
 22 (d) Each governing board authorized to participate in the
 23 distribution of monies under this section is authorized to expend all
 24 monies distributed to it for any of the purposes enumerated in
 25 Subsection (a). In addition, such governing board may issue bonds and
 26 notes for the purposes of refunding bonds or notes issued under this
 27 section or prior law, acquiring land either with or without permanent
 28 improvements, constructing and equipping buildings or other permanent
 29 improvements, and for major repair and rehabilitation of existing
 30 buildings or other permanent improvements, and may pledge up to 80
 31 percent (80%) of the monies allocated to such governing board pursuant

1 to this section to secure the payment of the principal and interest of
2 such bonds or notes. Proceeds from the issuance of bonds or notes
3 under this subsection shall be maintained in a local depository
4 selected by the governing board issuing the bonds or notes. The bonds
5 and notes issued under this subsection shall be payable solely out of
6 the monies appropriated by this section and shall mature serially or
7 otherwise in not more than ¹⁰ten years from their respective dates. All
8 bonds issued under this section shall be sold only through competitive
9 bidding and are subject to approval by the Attorney General. Bonds
10 approved by the Attorney General shall be incontestable. The Permanent
11 University Fund may be invested in the bonds and notes issued under
12 this section.

13 (e) Without the prior approval of the legislature or an agency
14 authorized by the legislature to grant the approval, the funds
15 appropriated by this section may not be used for the purpose of
16 constructing, equipping, repairing, or rehabilitating buildings or
17 other permanent improvements that are to be used for student housing
18 or intercollegiate athletics.

19 (f) Other than the appropriations required in this section from
20 the General Revenue Fund, the state systems and institutions of higher
21 education designated in this section may not receive any funds from
22 the general revenue of the State for acquiring land with or without
23 permanent improvements, for constructing or equipping buildings or
24 other permanent improvements, or for major repair and rehabilitation
25 of existing buildings or other permanent improvements, except that in
26 the case of fire or natural disaster the legislature may appropriate
27 from the general revenue an amount sufficient to replace any uninsured
28 loss so incurred. This subsection does not apply to legislative
29 appropriations made prior to the adoption of this amendment.

1 (g) The Comptroller of Public Accounts shall make annual
2 transfers of the funds allocated pursuant to Subsection (c) directly
3 to the governing boards of the eligible institutions.

4 (h) All new construction projects undertaken by the institutions
5 listed in this section may be subject to review by the legislature.

6 (i) This section is self-enacting upon the issuance of the
7 Governor's proclamation declaring the adoption of the amendment, and
8 the State Comptroller of Public Accounts and the State Treasurer shall
9 do all things necessary to effectuate this section. This section does
10 not impair any obligation created by the issuance of any bonds and
11 notes in accordance with prior law, and all outstanding bonds and
12 notes shall be paid in full, both principal and interest, in
13 accordance with their terms. If the provisions of this section
14 conflict with any other provisions of this Constitution, then the
15 provisions of this section shall prevail, notwithstanding all such
16 conflicting provisions.

17 SECTION 2. That Article VII, Section 14 of the Texas
18 Constitution be revised to read as follows:

19 Sec. 14. Prairie View A&M University in Waller County is an
20 institution of the first class under the direction of the same
21 governing board as Texas A&M University referred to in Article VII,
22 Section 13 of this constitution as the Agricultural and Mechanical
23 College of Texas.

24 SECTION 3. That Article VII, Section 18 of the Texas
25 Constitution be revised to read as follows:

26 Sec. 18. (a) The board of regents of The Texas A&M University
27 System may issue bonds and notes not to exceed a total amount of 10
28 percent of the cost value of the investments and other assets of the
29 Permanent University Fund (exclusive of real estate) at the time of
30 the issuance thereof, and may pledge all or any part of its one-third
31 interest in the Available University Fund to secure the payment of the

1 principal and interest of those bonds and notes, for the purpose of
2 acquiring land either with or without permanent improvements,
3 constructing and equipping buildings or other permanent improvements,
4 major repair and rehabilitation of existing buildings and other
5 permanent improvements, acquiring capital equipment and library books
6 and library materials, and refunding bonds or notes issued under this
7 Section or prior law, at or for The Texas A&M University System
8 administration and the following component institutions of the system:

- 9 (1) Texas A&M University, including its medical college which
10 the legislature may authorize as a separate medical
11 institution;
12 (2) Prairie View A&M University, including its nursing school
13 in Houston;
14 (3) Tarleton State University;
15 (4) Texas A&M University at Galveston (formerly Moody College
16 of Marine Sciences and Maritime Resources);
17 (5) Texas Forest Service;
18 (6) Texas Agricultural Experiment Stations;
19 (7) Texas Agricultural Extension Service;
20 (8) Texas Engineering Experiment Stations;
21 (9) Texas Transportation Institute; and
22 (10) Texas Engineering Extension Service.

23 (b) The Board of Regents of The University of Texas System may
24 issue bonds and notes not to exceed a total amount of 20 percent of
25 the cost value of investments and other assets of the Permanent
26 University Fund (exclusive of real estate) at the time of issuance
27 thereof, and may pledge all or any part of its two-thirds interest in
28 the Available University Fund to secure the payment of the principal
29 and interest of those bonds and notes, for the purpose of acquiring
30 land either with or without permanent improvements, constructing and

1 equipping buildings or other permanent improvements, major repair and
2 rehabilitation of existing buildings and other permanent improvements,
3 acquiring capital equipment and library books and library materials,
4 and refunding bonds or notes issued under this section or prior law,
5 at or for The University of Texas System administration and the
6 following component institutions of the System:

- 7 (1) The University of Texas at Arlington;
- 8 (2) The University of Texas at Austin;
- 9 (3) The University of Texas at Dallas;
- 10 (4) The University of Texas at El Paso;
- 11 (5) The University of Texas of the Permian Basin;
- 12 (6) The University of Texas at San Antonio;
- 13 (7) The University of Texas at Tyler;
- 14 (8) The University of Texas Health Science Center at Dallas;
- 15 (9) The University of Texas Medical Branch at Galveston;
- 16 (10) The University of Texas Health Science Center at Houston;
- 17 (11) The University of Texas Health Science Center at San
18 Antonio;
- 19 (12) The University of Texas System Cancer Center;
- 20 (13) The University of Texas Health Center at Tyler; and
- 21 (14) The University of Texas Institute of Texan Cultures at San
22 Antonio.

23 (c) Without the prior approval of the legislature or an agency
24 authorized by the legislature to grant the approval, the proceeds of
25 the bonds or notes issued under Subsection (a) or (b) of this section
26 may not be used for the purpose of constructing, equipping, repairing,
27 or rehabilitating buildings or other permanent improvements that are
28 to be used for student housing or intercollegiate athletics.

29 (d) The Available University Fund consists of the dividends,
30 interest and other income from the Permanent University Fund (less
31 administrative expenses) including the net income attributable to the

1 surface of Permanent University Fund land. Out of one-third of the
2 Available University Fund, there shall be appropriated an annual sum
3 sufficient to pay the principal and interest due on the bonds and
4 notes issued by the board of regents of The Texas A&M University
5 System under this section and prior law, and the remainder of that
6 one-third of the Available University Fund shall be appropriated to
7 the board of regents of the Texas A&M University System which shall
8 have the authority and duty in turn to appropriate an equitable
9 portion of the same for the support and maintenance of The Texas A&M
10 University System administration, Texas A&M University, and Prairie
11 View A&M University. The board of regents of The Texas A&M University
12 System, in making just and equitable appropriations to Texas A&M
13 University and Prairie View A&M University, shall exercise its
14 discretion with due regard to such criteria as the board may deem
15 appropriate from year to year, taking into account all amounts
16 appropriated from Subsection (e) of this section. Out of the other
17 two-thirds of the Available University Fund there shall be
18 appropriated an annual sum sufficient to pay the principal and
19 interest due on the bonds and notes issued by the Board of Regents of
20 The University of Texas System under this section and prior law, and
21 the remainder of such two-thirds of the Available University Fund,
22 shall be appropriated for the support and maintenance of The
23 University of Texas at Austin and The University of Texas System
24 administration.

25 (e) It is provided, however, that, for ⁽¹⁰⁾ten years beginning
26 September 1, 1983, before any other allocation is made of The
27 University of Texas System's two-thirds share of the Available
28 University Fund, remaining after payment of principal and interest on
29 its bonds and notes issued under this section and prior law, \$6
30 million per year shall be appropriated out of that share to the board
31 of regents of The Texas A&M University System for said board's use in

1 making appropriations to Prairie View A&M University. This subsection
2 expires and is deleted from this constitution on August 31, 1993.

3 (f) The bonds and notes issued under this Section shall be
4 payable solely out of the Available University Fund, mature serially
5 or otherwise in not more than 30 years from their respective dates,
6 and, except for refunding bonds, be sold only through competitive
7 bidding. All of these bonds and notes are subject to approval by the
8 Attorney General and when so approved are incontestable. The
9 Permanent University Fund may be invested in these bonds and notes.

10 (g) Other than the appropriations required in this section from
11 the Available University Fund, the state systems and institutions of
12 higher education designated in this section may not receive any funds
13 from the general revenue of the State for acquiring land with or
14 without permanent improvements, for constructing or equipping
15 buildings or other permanent improvements, or for major repair and
16 rehabilitation of existing buildings or other permanent improvements,
17 except that in the case of fire or natural disaster the legislature
18 may appropriate from the general revenue an amount sufficient to
19 replace any uninsured loss so incurred. This subsection does not
20 apply to legislative appropriations made prior to the adoption of this
21 amendment.

22 *Insert 8 →* (h) All new construction projects undertaken by the institutions
23 listed in this section may be subject to review by the legislature.

24 *9.24 →* (i) This section is self-enacting on the issuance of the
25 Governor's proclamation declaring the adoption of this amendment, and
26 the State Comptroller of Public Accounts and the State Treasurer shall
27 do all things necessary to effectuate this section. This section does
28 not impair any obligation created by the issuance of bonds or notes in
29 accordance with prior law, and all outstanding bonds and notes shall
30 be paid in full, both principal and interest, in accordance with their
31 terms, and the changes herein made in the allocation of the Available

1 ~~University Fund~~ shall not affect the pledges thereof made in
2 connection with such bonds or notes heretofore issued. If the
3 provisions of this section conflict with any other provision of this
4 Constitution, then the provisions of this section shall prevail,
5 notwithstanding any such conflicting provisions.

6 ~~SECTION 4.~~ ⁵ This proposed constitutional amendment shall be
7 submitted to the voters at an election to be held on April 30, 1983.
8 The ballot shall be printed to provide for voting for or against the
9 proposition: "The constitutional amendment to provide funds for
10 support of higher education and to restructure the permanent
11 university fund."

ADOPTED

FEB 22 1983

Betty Murray
Chief Clerk
House of Representatives

as amended

AMENDMENT NO. 1

BY

Beulung
Mena Smith

- 1 Amend C.S.H.J.R. 19 as follows:
- 2 (1) On page 1, line 8, strike "1984" and substitute "1985".
- 3 ✓(2) On page 1, line 17, strike "1984, \$125" and substitute
- 4 "1985, \$75".
- 5 (3) On page 1, line 18, strike "1985" and substitute "1986".

Amendment No. 2
to amendment

By Personal Bill

Amend the Berlonga amendment as follows:

✓ (1) Strike items (1) and (3) of the amendment.

✓ (2) strike ~~the~~ item (2) and substitute;

"On page 1, line 18, strike "\$125" and
substitute "\$75".

ADOPTED

FEB 22 1983

Betty Murray
Chief Clerk
House of Representatives

C. Smith
X - CPTI

ADOPTED

FEB 22 1983

Betty Murray
Chief Clerk
House of Representatives

as amended

AMENDMENT NO. 3

BY Messer - C. Smith

1 Amend C.S.H.J.R. 19 as follows:

2 (1) On page 1, line 8, strike "there is hereby" and
3 substitute "²⁵~~\$125~~ million is".

4 (2) On page 1, lines 16-24, and page 2, lines 1-3, strike
5 the last three sentences of Subsection (a) of added Article VII,
6 Section 17.

To amendment

Amendment No. 4

By: Bush

Amend the messer amendment by striking items (1) and (2) and substituting the following:

~~Amend G.S.H.J.R. 19 in the following places:~~

1. On page 1, line 17, insert the following between ", " and "\$125":

✓ "and each fiscal year thereafter,"

2. On page 1, line 18, through page 2, line 3 delete all language in subsection (a) appearing after "thereafter," and substitute the following:

{ "the legislature may appropriate additional amounts to the fund, but such appropriations shall be taken from revenues produced by increased tuition at all eligible agencies and institutions."

ADOPTED

FEB 22 1983 *at*

Betty Murray
Chief Clerk
House of Representatives

ADOPTED

FEB 22 1983

Betty Murray
Chief Clerk
House of Representatives

AMENDMENT NO. 5

BY *[Signature]*

Amend C.S.H.J.R. 19 as follows:

(1) On page 2, between lines 3 and 4, insert a new Subsection (b) to added Article VII, Section 17, to read as follows and reletter the following subsections accordingly:

(b) Any revenue generated by a federal lease of land in the outer continental shelf and allocated to the state under Section 8(g), Outer Continental Shelf Lands Act (43 U.S.C.A. Sec. 1337(g)), shall be deposited to the credit of a special fund in the state treasury. The principal of the fund may not be appropriated for any purpose, but the income of the fund shall be appropriated in accordance with Subsection (d) of this section for the purposes provided by Subsection (a) of this section. For any year in which all or part of that income is appropriated, the general revenue appropriation under Subsection (a) of this section is reduced by an equivalent amount. The legislature may provide by law for the deposit to the credit of the ~~P~~ermanent ~~S~~chool ~~F~~und of revenues in excess of the amount necessary to generate income to fully replace the general revenue appropriation.

✓(2) On page 2, line 4, strike "Subsection (a) of".

✓(3) On page 3, line 21, strike "Subsection (a) of".

ADOPTED

FEB 22 1985

Betty Murray
Chief Clerk
6 House of Representatives

AMENDMENT NO. 6

BY

Evans

1 Amend C.S.H.J.R. 19 on page 3, lines 18-19, by striking
2 "whose board is appointed by the Governor and confirmed by the
3 Senate".

4
5
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ADOPTED

FEB 22 1983

Betty Murray
Chief Clerk
House of Representatives

AMENDMENT NO. 7

BY EVANS

Amend C.S.H.J.R. 19 as follows:

(1) On page 3, line 23, between "legislature" and "shall"

insert "may review, or provide for a review, of the allocation
formula at any time, but"

✓ (2) On page 3, line 25, strike "that" and substitute "any".

ADOPTED

FEB 22 1963

Betty Murray
Chief Clerk
House of Representatives

AMENDMENT NO. 8

BY *Jackson*

Amend C.S.H.J.R. 19 as follows:

(1) On page 4, lines 2-16, strike the first three sentences of Subsection (d) and substitute the following:

(d) The legislature may provide by law for a single agency to issue bonds and notes for the benefit of institutions and agencies eligible to benefit from appropriations under this section. The proceeds of the bonds and notes may be expended for the purpose of acquiring land either with or without permanent improvements, constructing and equipping buildings or other permanent improvements, major repair and rehabilitation of existing buildings and other permanent improvements, or refunding bonds or notes issued under this section. The total amount of bonds may not exceed the amount for which principal and interest is payable from 80 percent of the total appropriations under this section. The proceeds of the bonds shall be allocated in the same manner as the appropriations under this section. The agency issuing the bonds may pledge the appropriations under this section to the payment of the principal of and interest on the bonds and notes.

~~(2)~~ On page 5, line 16, strike "The" and substitute "Except for the appropriations pledged to the payment of bonds and notes, the"

ADOPTED

FEB 22 1983

Betty Murray
Chief Clerk
House of Representatives

AMENDMENT NO. 9

BY *Jackson + Oliveira*
Q. Smith

1 Amend C.S.H.J.R. 19 as follows:

2 ✓(1) On page 5, line 3, strike "or" and substitute a comma,
3 and insert ", or auxiliary enterprises" between "athletics" and the
4 period.

5 ✓(2) On page 8, line 27, strike "or" and substitute a comma.

6 ✓(3) On page 9, line 1, insert ", or auxiliary enterprises"
7 between "athletics" and the period.

as amended

AMENDMENT TO C.S.H.J.R. 19 No. 10

By Hollowell
Hollowell

Amend ✓
AMEND C.S.H.J.R. 19, pages 4 and 5 by deleting all of section (e) starting on page 4 and continuing on page 5 and substituting in lieu thereof:

f
(e) Without the approval of the legislature, the funds appropriated by this section may not be used for the purpose of constructing, equipping, repairing, or rehabilitating buildings or other permanent improvements that are to be used for student housing, presidential housing, chancellor housing, faculty housing, or any other private residence for staff, *or* for intercollegiate athletics. *et*

or anything to

and
(11)

ADOPTED

FEB 22 1983

Betty Murray
Chief Clerk
House of Representatives

To amendment

Amendment No. 11

By Jackson

✓ Amend the Hollowell amendment by adding "or auxiliary enterprises" after "~~the~~ athletics" and by striking the "or" before "for intercollegiate athletics".

ADOPTED

FEB 22 1968

Boaty Murrey
Chief Clerk
House of Representatives

Italy #1
C. Smith

ADOPTED

FEB 22 1983

Betty Murney
Chief Clerk
House of Representatives

Insert 1

AMENDMENT NO. 12

BY Italy

1 Amend C.S.H.J.R. 19 as follows:

2 (1) On page 5, lines 19-21, strike Subsection (h) of added
3 Article VII, Section 17, and substitute:

4 *(h)* In the manner provided by general law, all new
5 construction projects undertaken by an agency or institution
6 benefitting from appropriations under this section are subject to
7 review and prior approval by the legislature or an agency
8 designated by the legislature. *Insert 9 (amt (13))*
1

9 (2) On page 11, lines 5-7, strike Subsection (h) of revised
10 Article VII, Section 18, and substitute:

11 *C/* (h) In the manner provided by general law, all new
12 construction projects undertaken by an agency or institution
13 benefitting from bonds issued under this section are subject to
14 review and prior approval by the legislature or an agency
15 designated by the legislature. *Insert 10 (amt (13))*
1

ADOPTED

FEB 22 1983

Betty Munsey
Chief Clerk
House of Representatives

AMENDMENT NO. 13

BY *G. Henry*

Amend C.S.H.J.R. 19 as follows:

(1) On page 5, line 21, add the following sentence to

Subsection (h) of added Article VII, ~~Section 17~~: "Without the prior approval of the legislature, appropriations under this section may not be expended for acquiring land with or without permanent improvements, or for constructing and equipping buildings or other permanent improvements, for a branch campus or educational center that is not a separate degree-granting institution created by general law."

(2) On page 11, line 7, add the following sentence to

~~Subsection (h) of revised Article VII, Section 18~~: "Without the prior approval of the legislature, bond proceeds under this section may not be expended for acquiring land with or without permanent improvements, or for constructing and equipping buildings or other permanent improvements, for a branch campus or educational center that is not a separate degree-granting institution created by general law."

ADOPTED

FEB 22 1983

Betty Murray
Chief Clerk
House of Representatives

AMENDMENT NO. 14

BY *John*

Amend C.S.H.J.R. 19 as follows:

(1) On page 5, between lines 21 and 22, insert a new Subsection (i) to amended Article VII, Section 17, to read as follows, and reletter Subsection (i) as Subsection (j):

(i) In addition to the purposes provided by Subsection (a) of this section, the legislature by law may authorize an agency or institution to spend appropriations or bond proceeds under this section for utility costs associated with a building or other permanent improvement acquired or constructed with appropriations or the bond proceeds under this section.

(2) On page 11, between lines 7 and 8, insert a new Subsection (i) to revised Article VII, Section 18, to read as follows, and reletter Subsection (i) as Subsection (j):

(i) In addition to the purposes provided by Subsections (a) and (b) of this section, the legislature by law may authorize the board of regents of The Texas A&M University System and the board of regents of The University of Texas System to expend the proceeds of bonds issued under this section for utility costs associated with a building or other permanent improvement acquired or constructed with bond proceeds after the effective date of this subsection.

Adopted

FEB 22 1983

Betty Murray
Chief Clerk
House of Representatives

Amendment No. 15

By: Schoolcraft

Amend C.S.H.J.R. No. 19 on page 11, line 22, add the following new section:

"Section 4. That Article VII of the Texas Constitution be amended by adding Section 19 to read as follows:

"Section 19. Nothing in this Article shall prevent the legislature from terminating or in any way modifying any agency or institution named in this Article."

Renumber the following section as "Section 5."

Adopted

FEB 22 1983

Betty Murray
Chief Clerk
House of Representatives

Murray
BY *EVANS - Berling*

AMENDMENT NO. 16

1 Amend C.S.H.J.R. 19 by striking Section 4 and substituting
2 the following:

3 C4 SECTION 5. This proposed constitutional amendment shall be
4 submitted to the voters at an election to be held April 30, 1983.
5 The ballot shall be printed to provide for voting for or against
6 the proposition: "The constitutional amendment appropriating \$75
7 million a year of general revenue to college construction and
8 related activities, allowing for the issuance of bonds based on
9 that appropriation, and increasing the bonding authority under the
10 permanent university fund and the number of institutions eligible
11 to benefit from those bonds."

103 FEB 23 11 0 33

HOUSE OF REPRESENTATIVES

HOUSE ENGROSSMENT

By Delco, et al.

H.J.R. No. 19

A JOINT RESOLUTION

1 proposing a constitutional amendment to provide funds for the
2 support of higher education and to restructure the permanent
3 university fund.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. That Article VII of the Texas Constitution be
6 amended by adding Section 17 to read as follows:

7 Sec. 17. (a) In the fiscal year beginning September 1,
8 1984, and each fiscal year thereafter, there is hereby appropriated
9 out of the first money coming into the general revenue fund the
10 following amounts to be used by eligible agencies and institutions
11 of higher education for the purpose of acquiring land either with
12 or without permanent improvements, constructing and equipping
13 buildings or other permanent improvements, major repair or
14 rehabilitation of existing buildings or other permanent
15 improvements, and acquisition of capital equipment, library books,
16 and library materials. In the fiscal year beginning September 1,
17 1984, and each fiscal year thereafter, \$75 million is hereby
18 appropriated. In the fiscal year beginning September 1, 1985, and
19 each fiscal year thereafter, the legislature may appropriate
20 additional amounts to the fund, but such appropriations shall be
21 taken from revenues produced by increased tuition at all eligible
22 agencies and institutions.

23 (b) Any revenue generated by a federal lease of land in the
24 outer continental shelf and allocated to the state under Section

1 8(g), Outer Continental Shelf Lands Act (43 U.S.C.A. Sec. 1337(g)),
2 shall be deposited to the credit of a special fund in the state
3 treasury. The principal of the fund may not be appropriated for
4 any purpose, but the income of the fund shall be appropriated in
5 accordance with Subsection (d) of this section for the purposes
6 provided by Subsection (a) of this section. For any year in which
7 all or part of that income is appropriated, the general revenue
8 appropriation under Subsection (a) of this section is reduced by an
9 equivalent amount. The legislature may provide by law for the
10 deposit to the credit of the permanent school fund of revenues in
11 excess of the amount necessary to generate income to fully replace
12 the general revenue appropriation.

13 (c) The funds appropriated under this section shall be for
14 the use of the following eligible agencies and institutions of
15 higher education (even though their names may be changed) together
16 with any additional institutions of higher education which are not
17 component institutions of The Texas A&M University System or The
18 University of Texas System which may be created at a later date by
19 general law:

20 (1) East Texas State University, including East Texas State
21 University at Texarkana;

22 (2) Lamar University, including Lamar University at Orange
23 and Lamar University at Port Arthur;

24 (3) Midwestern State University;

25 (4) North Texas State University;

26 (5) Pan American University, including Pan American
27 University at Brownsville;

- 1 (6) Stephen F. Austin State University;
- 2 (7) Texas College of Osteopathic Medicine;
- 3 (8) Texas State University System Administration and its
- 4 component institutions, including:
- 5 (9) Angelo State University;
- 6 (10) Sam Houston State University;
- 7 (11) Southwest Texas State University;
- 8 (12) Sul Ross State University, including Uvalde Study
- 9 Center;
- 10 (13) Texas Southern University;
- 11 (14) Texas Tech University;
- 12 (15) Texas Tech University Health Sciences Center;
- 13 (16) Texas Woman's University;
- 14 (17) University of Houston System Administration and its
- 15 component institutions, including:
- 16 (18) University of Houston Central Campus, including
- 17 University of Houston Center at Victoria;
- 18 (19) University of Houston at Clear Lake City;
- 19 (20) University of Houston Downtown College;
- 20 (21) University System of South Texas System Administration
- 21 and its component institutions, including:
- 22 (22) Corpus Christi State University;
- 23 (23) Laredo State University;
- 24 (24) Texas A&I University;
- 25 (25) West Texas State University.
- 26 (d) In the year 1985 and every 10 years thereafter, the
- 27 legislature or an agency designated by the legislature, no later

1 than August 31 of such year, shall allocate by equitable formula
2 the annual appropriations made under this section to the governing
3 boards of eligible agencies and institutions of higher education.
4 The legislature may review, or provide for a review, of the
5 allocation formula at any time, but shall review, or provide for a
6 review, of the allocation formula at the end of the fifth year of
7 each 10-year allocation period. At any time adjustments may be
8 made in the allocation formula, but no adjustment that will prevent
9 the payment of outstanding bonds and notes, both principal and
10 interest, may be made.

11 (e) The legislature may provide by law for a single agency
12 to issue bonds and notes for the benefit of institutions and
13 agencies eligible to benefit from appropriations under this
14 section. The proceeds of the bonds and notes may be expended for
15 the purpose of acquiring land either with or without permanent
16 improvements, constructing and equipping buildings or other
17 permanent improvements, major repair and rehabilitation of existing
18 buildings and other permanent improvements, or refunding bonds or
19 notes issued under this section. The total amount of bonds may not
20 exceed the amount for which principal and interest is payable from
21 80 percent of the total appropriations under this section. The
22 proceeds of the bonds shall be allocated in the same manner as the
23 appropriations under this section. The agency issuing the bonds
24 may pledge the appropriations under this section to the payment of
25 the principal of and interest on the bonds and notes. The bonds
26 and notes issued under this subsection shall be payable solely out
27 of the moneys appropriated by this section and shall mature

1 serially or otherwise in not more than 10 years from their
2 respective dates. All bonds issued under this section shall be
3 sold only through competitive bidding and are subject to approval
4 by the attorney general. Bonds approved by the attorney general
5 shall be incontestable. The permanent university fund may be
6 invested in the bonds and notes issued under this section.

7 (f) Without the approval of the legislature, the funds
8 appropriated by this section may not be used for the purpose of
9 constructing, equipping, repairing, or rehabilitating buildings or
10 other permanent improvements that are to be used for student
11 housing, presidential housing, chancellor housing, faculty housing,
12 or any other private residence for staff, for intercollegiate
13 athletics, or auxiliary enterprises.

14 (g) Other than the appropriations required in this section
15 from the general revenue fund, the state systems and institutions
16 of higher education designated in this section may not receive any
17 funds from the general revenue of the state for acquiring land with
18 or without permanent improvements, for constructing or equipping
19 buildings or other permanent improvements, or for major repair and
20 rehabilitation of existing buildings or other permanent
21 improvements, except that in the case of fire or natural disaster
22 the legislature may appropriate from the general revenue an amount
23 sufficient to replace any uninsured loss so incurred. This
24 subsection does not apply to legislative appropriations made prior
25 to the adoption of this amendment.

26 (h) Except for the appropriations pledged to the payment of
27 bonds and notes, the comptroller of public accounts shall make

1 annual transfers of the funds allocated pursuant to Subsection (d)
2 directly to the governing boards of the eligible institutions.

3 (i) In the manner provided by general law, all new
4 construction projects undertaken by an agency or institution
5 benefitting from appropriations under this section are subject to
6 review and prior approval by the legislature or an agency
7 designated by the legislature. Without the prior approval of the
8 legislature, appropriations under this section may not be expended
9 for acquiring land with or without permanent improvements, or for
10 constructing and equipping buildings or other permanent
11 improvements, for a branch campus or educational center that is not
12 a separate degree-granting institution created by general law.

13 (j) In addition to the purposes provided by Subsection (a)
14 of this section, the legislature by law may authorize an agency or
15 institution to spend appropriations or bond proceeds under this
16 section for utility costs associated with a building or other
17 permanent improvement acquired or constructed with appropriations
18 or the bond proceeds under this section.

19 (k) This section is self-enacting upon the issuance of the
20 governor's proclamation declaring the adoption of the amendment,
21 and the state comptroller of public accounts and the state
22 treasurer shall do all things necessary to effectuate this section.
23 This section does not impair any obligation created by the issuance
24 of any bonds and notes in accordance with prior law, and all
25 outstanding bonds and notes shall be paid in full, both principal
26 and interest, in accordance with their terms. If the provisions of
27 this section conflict with any other provisions of this

1 constitution, then the provisions of this section shall prevail,
2 notwithstanding all such conflicting provisions.

3 SECTION 2. That Article VII, Section 14, of the Texas
4 Constitution be revised to read as follows:

5 Sec. 14. Prairie View A&M University in Waller County is an
6 institution of the first class under the direction of the same
7 governing board as Texas A&M University, referred to in Article
8 VII, Section 13, of this constitution as the Agricultural and
9 Mechanical College of Texas.

10 SECTION 3. That Article VII, Section 18, of the Texas
11 Constitution be revised to read as follows:

12 Sec. 18. (a) The board of regents of The Texas A&M
13 University System may issue bonds and notes not to exceed a total
14 amount of 10 percent of the cost value of the investments and other
15 assets of the permanent university fund (exclusive of real estate)
16 at the time of the issuance thereof, and may pledge all or any part
17 of its one-third interest in the available university fund to
18 secure the payment of the principal and interest of those bonds and
19 notes, for the purpose of acquiring land either with or without
20 permanent improvements, constructing and equipping buildings or
21 other permanent improvements, major repair and rehabilitation of
22 existing buildings and other permanent improvements, acquiring
23 capital equipment and library books and library materials, and
24 refunding bonds or notes issued under this section or prior law, at
25 or for The Texas A&M University System administration and the
26 following component institutions of the system:

27 (1) Texas A&M University, including its medical college

1 which the legislature may authorize as a separate medical
2 institution;

3 (2) Prairie View A&M University, including its nursing
4 school in Houston;

5 (3) Tarleton State University;

6 (4) Texas A&M University at Galveston (formerly Moody
7 College of Marine Sciences and Maritime Resources);

8 (5) Texas Forest Service;

9 (6) Texas Agricultural Experiment Stations;

10 (7) Texas Agricultural Extension Service;

11 (8) Texas Engineering Experiment Stations;

12 (9) Texas Transportation Institute; and

13 (10) Texas Engineering Extension Service.

14 (b) The board of regents of The University of Texas System
15 may issue bonds and notes not to exceed a total amount of 20
16 percent of the cost value of investments and other assets of the
17 permanent university fund (exclusive of real estate) at the time of
18 issuance thereof, and may pledge all or any part of its two-thirds
19 interest in the available university fund to secure the payment of
20 the principal and interest of those bonds and notes, for the
21 purpose of acquiring land either with or without permanent
22 improvements, constructing and equipping buildings or other
23 permanent improvements, major repair and rehabilitation of existing
24 buildings and other permanent improvements, acquiring capital
25 equipment and library books and library materials, and refunding
26 bonds or notes issued under this section or prior law, at or for
27 The University of Texas System administration and the following

1 component institutions of the system:

- 2 (1) The University of Texas at Arlington;
- 3 (2) The University of Texas at Austin;
- 4 (3) The University of Texas at Dallas;
- 5 (4) The University of Texas at El Paso;
- 6 (5) The University of Texas of the Permian Basin;
- 7 (6) The University of Texas at San Antonio;
- 8 (7) The University of Texas at Tyler;
- 9 (8) The University of Texas Health Science Center at Dallas;
- 10 (9) The University of Texas Medical Branch at Galveston;
- 11 (10) The University of Texas Health Science Center at
- 12 Houston;
- 13 (11) The University of Texas Health Science Center at San
- 14 Antonio;
- 15 (12) The University of Texas System Cancer Center;
- 16 (13) The University of Texas Health Center at Tyler; and
- 17 (14) The University of Texas Institute of Texan Cultures at
- 18 San Antonio.

19 (c) Without the prior approval of the legislature or an
20 agency authorized by the legislature to grant the approval, the
21 proceeds of the bonds or notes issued under Subsection (a) or (b)
22 of this section may not be used for the purpose of constructing,
23 equipping, repairing, or rehabilitating buildings or other
24 permanent improvements that are to be used for student housing,
25 intercollegiate athletics, or auxiliary enterprises.

26 (d) The available university fund consists of the dividends,
27 interest, and other income from the permanent university fund (less

1 administrative expenses), including the net income attributable to
2 the surface of permanent university fund land. Out of one-third of
3 the available university fund, there shall be appropriated an
4 annual sum sufficient to pay the principal and interest due on the
5 bonds and notes issued by the board of regents of The Texas A&M
6 University System under this section and prior law, and the
7 remainder of that one-third of the available university fund shall
8 be appropriated to the board of regents of The Texas A&M University
9 System which shall have the authority and duty in turn to
10 appropriate an equitable portion of the same for the support and
11 maintenance of The Texas A&M University System administration,
12 Texas A&M University, and Prairie View A&M University. The board
13 of regents of The Texas A&M University System, in making just and
14 equitable appropriations to Texas A&M University and Prairie View
15 A&M University, shall exercise its discretion with due regard to
16 such criteria as the board may deem appropriate from year to year,
17 taking into account all amounts appropriated from Subsection (e) of
18 this section. Out of the other two-thirds of the available
19 university fund there shall be appropriated an annual sum
20 sufficient to pay the principal and interest due on the bonds and
21 notes issued by the board of regents of The University of Texas
22 System under this section and prior law, and the remainder of such
23 two-thirds of the available university fund, shall be appropriated
24 for the support and maintenance of The University of Texas at
25 Austin and The University of Texas System administration.

26 (e) It is provided, however, that, for 10 years beginning
27 September 1, 1983, before any other allocation is made of The

1 University of Texas System's two-thirds share of the available
2 university fund, remaining after payment of principal and interest
3 on its bonds and notes issued under this section and prior law, \$6
4 million per year shall be appropriated out of that share to the
5 board of regents of The Texas A&M University System for said
6 board's use in making appropriations to Prairie View A&M
7 University. This subsection expires and is deleted from this
8 constitution on August 31, 1993.

9 (f) The bonds and notes issued under this section shall be
10 payable solely out of the available university fund, mature
11 serially or otherwise in not more than 30 years from their
12 respective dates, and, except for refunding bonds, be sold only
13 through competitive bidding. All of these bonds and notes are
14 subject to approval by the attorney general and when so approved
15 are incontestable. The permanent university fund may be invested
16 in these bonds and notes.

17 (g) Other than the appropriations required in this section
18 from the available university fund, the state systems and
19 institutions of higher education designated in this section may not
20 receive any funds from the general revenue of the state for
21 acquiring land with or without permanent improvements, for
22 constructing or equipping buildings or other permanent
23 improvements, or for major repair and rehabilitation of existing
24 buildings or other permanent improvements, except that in the case
25 of fire or natural disaster the legislature may appropriate from
26 the general revenue an amount sufficient to replace any uninsured
27 loss so incurred. This subsection does not apply to legislative

1 appropriations made prior to the adoption of this amendment.

2 (h) In the manner provided by general law, all new
3 construction projects undertaken by an agency or institution
4 benefitting from bonds issued under this section are subject to
5 review and prior approval by the legislature or an agency
6 designated by the legislature. Without the prior approval of the
7 legislature, bond proceeds under this section may not be expended
8 for acquiring land with or without permanent improvements, or for
9 constructing and equipping buildings or other permanent
10 improvements, for a branch campus or educational center that is not
11 a separate degree-granting institution created by general law.

12 (i) In addition to the purposes provided by Subsections (a)
13 and (b) of this section, the legislature by law may authorize the
14 board of regents of The Texas A&M University System and the board
15 of regents of The University of Texas System to expend the proceeds
16 of bonds issued under this section for utility costs associated
17 with a building or other permanent improvement acquired or
18 constructed with bond proceeds after the effective date of this
19 subsection.

20 (j) This section is self-enacting on the issuance of the
21 governor's proclamation declaring the adoption of this amendment,
22 and the state comptroller of public accounts and the state
23 treasurer shall do all things necessary to effectuate this section.
24 This section does not impair any obligation created by the issuance
25 of bonds or notes in accordance with prior law, and all outstanding
26 bonds and notes shall be paid in full, both principal and interest,
27 in accordance with their terms, and the changes herein made in the

1 allocation of the available university fund shall not affect the
2 pledges thereof made in connection with such bonds or notes
3 heretofore issued. If the provisions of this section conflict with
4 any other provision of this constitution, then the provisions of
5 this section shall prevail, notwithstanding any such conflicting
6 provisions.

7 SECTION 4. That Article VII of the Texas Constitution be
8 amended by adding Section 19 to read as follows:

9 Sec. 19. Nothing in this article shall prevent the
10 legislature from terminating or in any way modifying any agency or
11 institution named in this article.

12 SECTION 5. This proposed constitutional amendment shall be
13 submitted to the voters at an election to be held April 30, 1983.
14 The ballot shall be printed to provide for voting for or against
15 the proposition: "The constitutional amendment appropriating \$75
16 million a year of general revenue to college construction and
17 related activities, allowing for the issuance of bonds based on
18 that appropriation, and increasing the bonding authority under the
19 permanent university fund and the number of institutions eligible
20 to benefit from those bonds."

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

February 15, 1983

Honorable Wilhelmina Delco, Chair
Committee on Higher Education
House of Representatives
Austin, Texas

In Re: Committee Substitute for
House Joint Resolution No. 19

Representative Delco:

In response to your request for a Fiscal Note on Committee Substitute for House Joint Resolution No. 19 (proposing a constitutional amendment to provide funds for the support of higher education and to restructure the permanent university fund) this office has determined the following:

Section 1 of the resolution makes an annual appropriation from the General Revenue Fund for distribution to agencies and institutions of higher education that do not share in the earnings of the Permanent University Fund (PUF). The appropriation for fiscal 1985 is \$125 million. The appropriation for subsequent years would be equal to the \$125 million base, adjusted for any changes in the CPI as defined in the resolution. The Comptroller would be responsible for determining the adjustment factor. The funds are to be used for acquiring land; constructing and equipping buildings and other permanent improvements; major repair and rehabilitation of existing buildings and improvements; acquisition of capital equipment, library books and materials.

The appropriations made in Section 1 would be allocated by a formula to be determined by the Legislature or an agency designated by the Legislature. The governing boards may issue bonds and notes for the purpose of refunding other bonds and notes and for the purposes cited above, excluding acquisition of capital equipment, library books, and library materials. The boards may pledge up to 80% of their allocation of the annual appropriation to pay principal and interest.

Presumably the proceeds could be used to refund any kind of bond, including but not limited to building use fee bonds, combined use fee bonds, and auxiliary enterprise bonds. Proceeds from bonds or notes issued could be retained in local accounts outside the state treasury.

Section 3 of the resolution increases the bonding capacity of PUF from 20 percent to 30 percent of the value of PUF exclusive of real estate. Funds from these bonds and notes could be used at all Texas A&M University (TAMU) and University of Texas (UT) component institutions for the same purposes described in Section 1. The actual level of debt issued by the TAMU and UT systems would depend on future board actions and is not estimated for purposes of this fiscal note.

The income from PUF, the Available University Fund (AUF), could be used as follows: one-third for paying principal and interest on bonds from TAMU System's share of the PUF, and for supporting and maintaining the TAMU system administration, TAMU, and Prairie View A&M University (PVAMU); and, two-thirds for paying principal and interest on bonds from UT System's share of the PUF, and for supporting and maintaining UT-Austin and the UT system administration.

Section 3 of the resolution could result in a savings of general revenue by assuming use of PUF proceeds projects at institutions previously not eligible for PUF proceeds. For comparative purposes 1982-1983 general revenue appropriations for projects and acquisitions that would be covered by the provisions of this resolution at TAMU and UT components total \$18,853,169. However, any additional square feet constructed by the bonding capacity that are educational and general in nature could be a cost to the General Revenue Fund. The 1983 appropriated amount from general revenue for utilities, custodial services, and building maintenance is \$3.74 per square foot. For instance, if the amendment is adopted, the impact on increasing the UT bonding capacity from PUF would be:

<u>Fiscal Year</u>	<u>Maximum Additional Bonds at 30%</u>	<u>Maximum Additional Square Footage at \$100/SF</u>	<u>Maximum Annual Additional Cost Out of the General Revenue Fund for Maintenance</u>
1984	\$190,000,000	1,820,999	\$ 6,810,536
1985	68,000,000	600,999	9,058,272
1986	75,000,000	670,999	11,567,808
1987	79,000,000	710,999	14,226,944
1988	85,000,000	770,999	17,110,480

Again, for comparative purposes, 1982-1983 general revenue appropriations for projects and acquisitions that would be covered by the provisions of the resolution at non-PUF components total \$56,253,662. Any additional square feet constructed from the first draw on general revenue specified in Section 1 of the resolution that are educational and general in nature could be a cost to the General Revenue Fund. Using the \$3.74 per square foot per year for maintenance described above, the maximum impact on the General Revenue Fund would be:

<u>Fiscal Year</u>	<u>Draw From the General Revenue Fund</u>	<u>Maximum Additional Square Footage at \$100/SF</u>	<u>Maximum Additional Cost Out of the General Revenue Fund for Maintenance</u>
1984	0	0	0
1985	\$125,000,000	687,463	\$2,571,113
1986	132,125,000	758,713	5,408,698
1987	139,920,000	836,663	8,537,818
1988	148,595,000	923,413	11,991,382

All institutions affected by the resolution would be prohibited from receiving General Revenue Funds for land acquisition, new construction, and major repair and rehabilitation except in the case of fire or natural disaster.

Section 3 also provides for an annual allocation beginning September 1, 1983 of \$6 million for ten years to be transferred from UT system's share of the AUF to TAMU system for use by PVAMU.

The proposed amendment would be submitted for voter approval on April 30, 1983.

The probable cost of and revenue transfer from implementing the provisions of the resolution during each of the first five years following passage is estimated as follows:

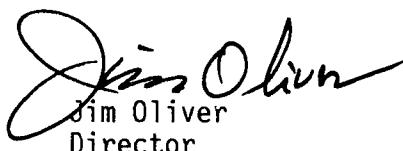
<u>Fiscal Year</u>	<u>Out of the General Revenue Fund*</u>
1984	0
1985	\$125,000,000
1986	132,125,000
1987	139,920,000
1988	148,595,000

* Inflation forecasts based on the index for All Urban Consumers by Data Resources, Inc.

Similar annual fiscal implications would continue as long as the provisions of the resolution are in effect.

If the Legislature approves the proposed amendment for placement on the ballot, a cost for publication would be incurred. The cost of publication of resolutions, prior to election, has been included for the Secretary of State in the General Appropriations Bill, as introduced. The funding would cover the costs of publishing approximately nine amendment summaries. If more than nine constitutional amendments are proposed by the Legislature, it would be necessary to increase the general appropriation for advertising each additional constitutional amendment by approximately \$62,950.

The fiscal implication to units of local government would depend on the taxable value of land that may be acquired and thereby become exempt from local taxes.


Jim Oliver
Director

Source: Comptroller of Public Accounts; Coordinating Board;
Attorney General's Office; University of Texas System;
Secretary of State; LBB Staff: JO, JH, WRR, LV

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

February 14, 1983

RECEIVED FEB 14 1983

Honorable Wilhelmina Delco, Chair
Committee on Higher Education
House of Representatives
Austin, Texas

In Re: House Joint Resolution No. 19
By: Delco

Representative Delco:

In response to your request for a Fiscal Note on House Joint Resolution No. 19 (proposing a constitutional amendment to provide funds for the support of higher education and to restructure the permanent university fund) this office has determined the following:

Section 1 of the resolution makes an annual appropriation from the General Revenue Fund for distribution to agencies and institutions of higher education that do not share in the earnings of the Permanent University Fund (PUF). The appropriation for fiscal 1985 is \$125 million. The appropriation for subsequent years would be equal to the \$125 million base, adjusted for any changes in the CPI as defined in the resolution. The Comptroller would be responsible for determining the adjustment factor. The funds are to be used for acquiring land; constructing and equipping buildings and other permanent improvements; major repair and rehabilitation of existing buildings and improvements; acquisition of capital equipment, library books and materials.

The appropriations made in Section 1 would be allocated by a formula to be determined by the Legislature or an agency designated by the Legislature. The governing boards may issue bonds and notes for the purpose of refunding other bonds and notes and for the purposes cited above, excluding acquisition of capital equipment, library books, and library materials. The boards may pledge up to 80% of its allocation of the annual appropriation to pay principal and interest.

Presumably the proceeds could be used to refund any kind of bond, including but not limited to building use fee bonds, combined use fee bonds, and auxiliary enterprise bonds. Proceeds from bonds or notes issued could be retained in local accounts outside the state treasury. Funds appropriated in Section 1 of this resolution could be used for non-educational and general purposes including auxiliary enterprises.

Expenditure of the annual allocation and bond proceeds would not require legislative approval or appropriation.

Section 3 of the resolution increases the bonding capacity of PUF from 20 percent to 30 percent of the value of PUF exclusive of real estate. Funds from these bonds and notes could be used at all Texas A&M University (TAMU) and University of Texas (UT) component institutions for the same purposes described in Section 1. The actual level of debt issued by the TAMU and UT systems would depend on future board actions and is not estimated for purposes of this fiscal note.

The income from PUF, the Available University Fund (AUF), could be used as follows: one-third for paying principal and interest on bonds from TAMU System's share of the PUF, and for supporting and maintaining the TAMU system administration, TAMU, and Prairie View A&M University (PVAMU); and, two-thirds for paying principal and interest on bonds from UT System's share of the PUF, and for supporting and maintaining UT-Austin and the UT system administration.

Section 3 of the resolution could result in a savings of general revenue by assuming use of PUF proceeds projects at institutions previously not eligible for PUF proceeds. For comparative purposes 1982-1983 general revenue appropriations for projects and acquisitions that would be covered by the provisions of this resolution at TAMU and UT components total \$18,853,169. However, any additional square feet constructed by the bonding capacity that are educational and general in nature could be a cost to the General Revenue Fund. The 1983 appropriated amount from general revenue for utilities, custodial services, and building maintenance is \$3.74 per square foot. For instance, if the amendment is adopted, the impact on increasing the UT bonding capacity from PUF would be:

<u>Fiscal Year</u>	<u>Maximum Additional Bonds at 30%</u>	<u>Maximum Additional Square Footage at \$100/SF</u>	<u>Maximum Annual Additional Cost Out of the General Revenue Fund for Maintenance</u>
1984	\$190,000,000	1,820,999	\$ 6,810,536
1985	68,000,000	600,999	9,058,272
1986	75,000,000	670,999	11,567,808
1987	79,000,000	710,999	14,226,944
1988	85,000,000	770,999	17,110,480

Again, for comparative purposes, 1982-1983 general revenue appropriations for projects and acquisitions that would be covered by the provisions of the resolution at non-PUF components total \$56,253,662. Any additional square feet constructed from the first draw on general revenue specified in Section 1 of the resolution that are educational and general in nature could be a cost to the General Revenue Fund. Using the \$3.74 per square foot per year for maintenance described above, the maximum impact on the General Revenue Fund would be:

<u>Fiscal Year</u>	<u>Draw From the General Revenue Fund</u>	<u>Maximum Additional Square Footage at \$100/SF</u>	<u>Maximum Additional Cost Out of the General Revenue Fund for Maintenance</u>
1984	0	0	0
1985	\$125,000,000	687,463	\$2,571,113
1986	132,125,000	758,713	5,408,698
1987	139,920,000	836,663	8,537,818
1988	148,595,000	923,413	11,991,382

All PUF institutions would be prohibited from receiving General Revenue Funds for land acquisition, new construction, and major repair and rehabilitation except in the case of fire or natural disaster. Non-PUF institutions remain eligible to receive General Revenue Funds for construction, land acquisition, major repair and rehabilitation, capital equipment, library books, and materials.

Section 3 also provides for an annual allocation of \$6 million for ten years to be transferred from UT system's share of the AUF to TAMU system for use by PVAMU. PUF proceeds could replace the transferred AUF for UT-Austin capital improvements.

The proposed amendment would be submitted for voter approval on November 8, 1983.

The probable cost of and revenue transfer from implementing the provisions of the resolution during each of the first five years following passage is estimated as follows:

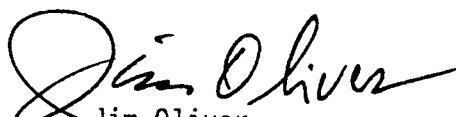
<u>Fiscal Year</u>	<u>Out of the General Revenue Fund*</u>	<u>Transfer From UT System's AUF to TAMU System's AUF for PVAMU</u>
1984	0	0
1985	\$125,000,000	\$6,000,000
1986	132,125,000	6,000,000
1987	139,920,000	6,000,000
1988	138,595,000	6,000,000

* Inflation forecasts based on the index for All Urban Consumers by Data Resources, Inc.

Similar annual fiscal implications would continue as long as the provisions of the resolution are in effect.

If the Legislature approves the proposed amendment for placement on the ballot, a cost for publication would be incurred. The cost of publication of resolutions, prior to election, has been included for the Secretary of State in the General Appropriations Bill, as introduced. The funding would cover the costs of publishing approximately nine amendment summaries. If more than nine constitutional amendments are proposed by the Legislature, it would be necessary to increase the general appropriation for advertising each additional constitutional amendment by approximately \$62,950.

The fiscal implication to units of local government would depend on the taxable value of land that may be acquired and thereby become exempt from local taxes.


Jim Oliver
Director

Source: Comptroller of Public Accounts; Coordinating Board;
Attorney General's Office; University of Texas System;
Secretary of State; LBB Staff: JO, JH, WRR, LV

By: Delco, et al. (Senate Sponsor - Parker) H.J.R. No. 19
(In the Senate - Received from the House February 23, 1983;
February 24, 1983, read first time and referred to Committee on
Education; April 6, 1983, reported adversely, with favorable
Committee Substitute; April 6, 1983, sent to printer.)

COMMITTEE SUBSTITUTE FOR H.J.R. No. 19

By: Williams

A JOINT RESOLUTION

proposing a constitutional amendment to provide funds for the
support of higher education and to restructure the permanent
university fund.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. That Article VII of the Texas Constitution be
amended by adding Section 17 to read as follows:

Section 17. (a) In the fiscal year beginning September 1,
1985, and each fiscal year thereafter, there is hereby appropriated
out of the first money coming into the state treasury not otherwise
appropriated by the Constitution \$125 million to be used by
eligible agencies and institutions of higher education for the
purpose of acquiring land either with or without permanent
improvements, constructing and equipping buildings or other
permanent improvements, major repair or rehabilitation of existing
buildings or other permanent improvements, and acquisition of
capital equipment, library books and library materials. In the
fiscal year beginning September 1, 1986, and each fiscal year
thereafter, in addition to the \$125 million hereby appropriated,
the legislature may appropriate an amount from the state treasury
equal to the previous year's appropriation adjusted upward by a
factor equal to any percentage increase in the cost of goods and
services for the previous calendar year as reflected in the All
Items Category of the Consumer Price Index -- U.S. Average for All
Urban Consumers -- Annual Average (published in January of each
year for the preceding year by the Bureau of Labor Statistics of
the U.S. Department of Labor) or its successor.

(b) The funds appropriated under Subsection (a) of this
section shall be for the use of the following eligible agencies and
institutions of higher education (even though their names may be
changed) together with any additional institutions of higher
education which are not component institutions of The Texas A&M
University System or The University of Texas System which may be
created at a later date by general law:

- (1) East Texas State University including East Texas State
University at Texarkana;
- (2) Lamar University including Lamar University at Orange
and Lamar University at Port Arthur;
- (3) Midwestern State University;
- (4) North Texas State University;
- (5) Pan American University including Pan American
University at Brownsville;
- (6) Stephen F. Austin State University
- (7) Texas College of Osteopathic Medicine
- (8) Texas State University System Administration and its
component institutions, including:
 - (9) Angelo State University;
 - (10) Sam Houston State University;
 - (11) Southwest Texas State University;
 - (12) Sul Ross State University including Uvalde Study
Center
- (13) Texas Southern University;
- (14) Texas Tech University;
- (15) Texas Tech University Health Sciences Center;
- (16) Texas Woman's University;
- (17) University of Houston System Administration and its
component institutions, including:
 - (18) University of Houston Central Campus including
University of Houston Center at Victoria;
 - (19) University of Houston at Clear Lake City;
 - (20) University of Houston Downtown College;

- 1 (21) University System of South Texas System Administration
2 and its component institutions, including:
3 (22) Corpus Christi State University;
4 (23) Laredo State University;
5 (24) Texas A&I University;
6 (25) West Texas State University.

7 (c) In the year 1985 and every ten years thereafter, the
8 legislature or an agency designated by the legislature no later
9 than August 31 of such year shall allocate by equitable formula the
10 annual appropriations made under Subsection (a) of this section to
11 the governing boards of eligible agencies and institutions of
12 higher education. The legislature shall review, or provide for a
13 review, of the allocation formula at the end of the fifth year of
14 each ten-year allocation period. At that time adjustments may be
15 made in the allocation formula, but no adjustment that will prevent
16 the payment of outstanding bonds and notes, both principal and
17 interest, may be made.

18 (d) Each governing board authorized to participate in the
19 distribution of monies under this section is authorized to expend
20 all monies distributed to it for any of the purposes enumerated in
21 Subsection (a). In addition, such governing board may issue bonds
22 and notes for the purposes of refunding bonds or notes issued under
23 this section or prior law, acquiring land either with or without
24 permanent improvements, constructing and equipping buildings or
25 other permanent improvements, and for major repair and
26 rehabilitation of existing buildings or other permanent
27 improvements, and may pledge up to 80 percent (80%) of the monies
28 allocated to such governing board pursuant to this section to
29 secure the payment of the principal and interest of such bonds or
30 notes. Proceeds from the issuance of bonds or notes under this
31 subsection shall be maintained in a local depository selected by
32 the governing board issuing the bonds or notes. The bonds and
33 notes issued under this subsection shall be payable solely out of
34 the monies appropriated by this section and shall mature serially
35 or otherwise in not more than ten years from their respective
36 dates. All bonds issued under this section shall be sold only
37 through competitive bidding and are subject to approval by the
38 Attorney General. Bonds approved by the Attorney General shall be
39 incontestable. The Permanent University Fund may be invested in
40 the bonds and notes issued under this section.

41 (e) Without the prior approval of the legislature or an
42 agency authorized by the legislature to grant the approval, the
43 funds appropriated by this section may not be used for the purpose
44 of constructing, equipping, repairing, or rehabilitating buildings
45 or other permanent improvements that are to be used for student
46 housing, intercollegiate athletics, or auxiliary enterprises.

47 (f) The Comptroller of Public Accounts shall make annual
48 transfers of the funds allocated pursuant to Subsection (c)
49 directly to the governing boards of the eligible institutions.

50 (g) The legislature may provide by law for role and scope
51 review by an agency in the legislative branch of new construction
52 projects undertaken by the institutions listed in, with funds
53 derived through, this Section. If the agency designated by the
54 legislature determines that an institution is in the planning
55 stages of beginning a new construction project that is not in its
56 role and scope, it may cause the project to be suspended until the
57 next regular session of the legislature at which time the agency
58 shall file with the Speaker of the House and the Lt. Governor its
59 objections to the project. During the ensuing session of the
60 legislature, the legislature shall approve or disapprove the
61 project.

62 (h) The legislature by general law may dedicate portions of
63 the state's revenues to the creation of a dedicated fund ("the
64 Higher Education Fund") for the purposes expressed in subsection
65 (a) of this section. At the beginning of the fiscal year after the
66 fund reaches \$2 billion, as certified by the Comptroller of Public
67 Accounts: (1) the dedication of general revenue funds provided for
68 in subsection (a) of this section shall cease; and (2) the revenue
69 sources dedicated to the higher education fund shall be applied to
70 the permanent school fund. The principal of the Higher Education

1 Fund shall never be expended, shall be invested as provided in the
 2 constitution for the permanent university fund, and the interest
 3 and other income earned on the fund shall be expended as provided
 4 in this section of the constitution.

5 (i) This section is self-enacting upon the issuance of the
 6 Governor's proclamation declaring the adoption of the amendment,
 7 and the State Comptroller of Public Accounts and the State
 8 Treasurer shall do all things necessary to effectuate this section.
 9 This section does not impair any obligation created by the issuance
 10 of any bonds and notes in accordance with prior law, and all
 11 outstanding bonds and notes shall be paid in full, both principal
 12 and interest, in accordance with their terms. If the provisions of
 13 this section conflict with any other provisions of this
 14 Constitution, then the provisions of this section shall prevail,
 15 notwithstanding all such conflicting provisions.

16 SECTION 2. That Article VII, Section 14 of the Texas
 17 Constitution be revised to read as follows:

18 Sec. 14. Prairie View A&M University in Waller County is an
 19 institution of the first class under the direction of the same
 20 governing board as Texas A&M University referred to in Article VII,
 21 Section 13 of this constitution as the Agricultural and Mechanical
 22 College of Texas.

23 SECTION 3. That Article VII, Section 18 of the Texas
 24 Constitution be revised to read as follows:

25 Sec. 18. (a) The board of regents of The Texas A&M
 26 University System may issue bonds and notes not to exceed a total
 27 amount of 10 percent of the cost value of the investments and other
 28 assets of the Permanent University Fund (exclusive of real estate)
 29 at the time of the issuance thereof, and may pledge all or any part
 30 of its one-third interest in the Available University Fund to
 31 secure the payment of the principal and interest of those bonds and
 32 notes, for the purpose of acquiring land either with or without
 33 permanent improvements, constructing and equipping buildings or
 34 other permanent improvements, major repair and rehabilitation of
 35 existing buildings and other permanent improvements, acquiring
 36 capital equipment and library books and library materials, and
 37 refunding bonds or notes issued under this Section or prior law, at
 38 or for The Texas A&M University System administration and the
 39 following component institutions of the system:

- 40 (1) Texas A&M University, including its medical college
 41 which the legislature may authorize as a separate
 42 medical institution;
- 43 (2) Prairie View A&M University, including its nursing
 44 school in Houston;
- 45 (3) Tarleton State University;
- 46 (4) Texas A&M University at Galveston (formerly Moody
 47 College of Marine Sciences and Maritime Resources);
- 48 (5) Texas Forest Service;
- 49 (6) Texas Agricultural Experiment Stations;
- 50 (7) Texas Agricultural Extension Service;
- 51 (8) Texas Engineering Experiment Stations;
- 52 (9) Texas Transportation Institute; and
- 53 (10) Texas Engineering Extension Service.

54 (b) The Board of Regents of The University of Texas System
 55 may issue bonds and notes not to exceed a total amount of 20
 56 percent of the cost value of investments and other assets of the
 57 Permanent University Fund (exclusive of real estate) at the time of
 58 issuance thereof, and may pledge all or any part of its two-thirds
 59 interest in the Available University Fund to secure the payment of
 60 the principal and interest of those bonds and notes, for the
 61 purpose of acquiring land either with or without permanent
 62 improvements, constructing and equipping buildings or other
 63 permanent improvements, major repair and rehabilitation of existing
 64 buildings and other permanent improvements, acquiring capital
 65 equipment and library books and library materials, and refunding
 66 bonds or notes issued under this section or prior law, at or for
 67 The University of Texas System administration and the following
 68 component institutions of the System:

- 69 (1) The University of Texas at Arlington;
- 70 (2) The University of Texas at Austin;

- (3) The University of Texas at Dallas;
- (4) The University of Texas at El Paso;
- (5) The University of Texas of the Permian Basin;
- (6) The University of Texas at San Antonio;
- (7) The University of Texas at Tyler;
- (8) The University of Texas Health Science Center at Dallas;
- (9) The University of Texas Medical Branch at Galveston;
- (10) The University of Texas Health Science Center at Houston;
- (11) The University of Texas Health Science Center at San Antonio;
- (12) The University of Texas System Cancer Center;
- (13) The University of Texas Health Center at Tyler; and
- (14) The University of Texas Institute of Texan Cultures at San Antonio.

(c) Without the prior approval of the legislature or an agency authorized by the legislature to grant the approval, the proceeds of the bonds or notes issued under Subsection (a) or (b) of this section may not be used for the purpose of constructing, equipping, repairing, or rehabilitating buildings or other permanent improvements that are to be used for student housing, intercollegiate athletics, or auxiliary enterprises.

(d) The Available University Fund consists of the dividends, interest and other income from the Permanent University Fund (less administrative expenses) including the net income attributable to the surface of Permanent University Fund land. Out of one-third of the Available University Fund, there shall be appropriated an annual sum sufficient to pay the principal and interest due on the bonds and notes issued by the board of regents of The Texas A&M University System under this section and prior law, and the remainder of that one-third of the Available University Fund shall be appropriated to the board of regents of the Texas A&M University System which shall have the authority and duty in turn to appropriate an equitable portion of the same for the support and maintenance of The Texas A&M University System administration, Texas A&M University, and Prairie View A&M University. The board of regents of The Texas A&M University System, in making just and equitable appropriations to Texas A&M University and Prairie View A&M University, shall exercise its discretion with due regard to such criteria as the board may deem appropriate from year to year, taking into account all amounts appropriated from Subsection (e) of this section. Out of the other two-thirds of the Available University Fund there shall be appropriated an annual sum sufficient to pay the principal and interest due on the bonds and notes issued by the Board of Regents of The University of Texas System under this section and prior law, and the remainder of such two-thirds of the Available University Fund, shall be appropriated for the support and maintenance of The University of Texas at Austin and The University of Texas System administration.

(e) It is provided, however, that, for ten years beginning September 1, 1985, before any other allocation is made of The University of Texas System's two-thirds share of the Available University Fund, remaining after payment of principal and interest on its bonds and notes issued under this section and prior law, \$6 million per year shall be appropriated out of that share to the board of regents of The Texas A&M University System for said board's use in making appropriations to Prairie View A&M University. This subsection expires and is deleted from this constitution on August 31, 1995.

(f) The bonds and notes issued under this Section shall be payable solely out of the Available University Fund, mature serially or otherwise in not more than 30 years from their respective dates, and, except for refunding bonds, be sold only through competitive bidding. All of these bonds and notes are subject to approval by the Attorney General and when so approved are incontestable. The Permanent University Fund may be invested in these bonds and notes.

(g) Except for The University of Texas at Austin, Texas A&M University in Brazos County and Prairie View A&M University in

1 Waller County, the legislature may provide by law for role and
2 scope review by an agency in the legislative branch of new
3 construction projects undertaken by the institutions listed in,
4 with funds derived through, subsection (a) and (b) of this Section.
5 If the agency designated by the legislature determines that an
6 institution is in the planning stages of beginning a new
7 construction project that is not in its role and scope, it may
8 cause the project to be suspended until the next regular session of
9 the legislature at which time the agency shall file with the
10 Speaker of the House and the Lt. Governor its objections to the
11 project. During the ensuing session of the legislature, the
12 legislature shall approve or disapprove the project.

13 (h) This section is self-enacting on the issuance of the
14 Governor's proclamation declaring the adoption of this amendment,
15 and the State Comptroller of Public Accounts and the State
16 Treasurer shall do all things necessary to effectuate this section.
17 This section does not impair any obligation created by the issuance
18 of bonds or notes in accordance with prior law, and all outstanding
19 bonds and notes shall be paid in full, both principal and interest,
20 in accordance with their terms, and the changes herein made in the
21 allocation of the Available University Fund shall not affect the
22 pledges thereof made in connection with such bonds or notes
23 heretofore issued. If the provisions of this section conflict with
24 any other provision of this Constitution, then the provisions of
25 this section shall prevail, notwithstanding any such conflicting
26 provisions.

27 SECTION 4. This proposed constitutional amendment shall be
28 submitted to the voters at an election to be held on November 6,
29 1984. The ballot shall be printed to provide for voting for or
30 against the proposition: "The constitutional amendment to provide
31 funds for support of higher education and to restructure the
32 permanent university fund."

33 * * * * *

34 Austin, Texas
35 April 6, 1983

36 Hon. William P. Hobby
37 President of the Senate

38 Sir:

39 We, your Committee on Education to which was referred H.J.R. No.
40 19, have had the same under consideration, and I am instructed to
41 report it back to the Senate with the recommendation that it do not
42 pass, but that the Committee Substitute adopted in lieu thereof do
43 pass and be printed.

44 Parker, Chairman

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

March 1, 1983

Honorable Carl A. Parker, Chairman
Committee on Education
Senate Chamber
Austin, Texas

In Re: House Joint Resolution No. 19,
as engrossed
By: Delco, et al

Sir:

In response to your request for a Fiscal Note on House Joint Resolution No. 19, as engrossed (proposing a constitutional amendment to provide funds for the support of higher education and to restructure the permanent university fund), this office has determined the following:

Section 1 of the resolution makes an annual appropriation from the General Revenue Fund for distribution to agencies and institutions of higher education that do not share in the earnings of the Permanent University Fund (PUF). The appropriation for fiscal 1985 is \$75 million. The appropriation for subsequent years would be \$75 million but the Legislature may appropriate additional amounts to the funds from revenues produced by increased tuition at all eligible agencies and institutions. The funds are to be used for acquiring land; constructing and equipping buildings and other permanent improvements; major repair and rehabilitation of existing buildings and improvements; acquisition of capital equipment, library books and materials. In addition, any revenue generated by a federal lease of land in the outer continental shelf and allocated to Texas under Section 8(g), of the Outer Continental Shelf Lands Act would be deposited to the credit of a special fund in the state treasury. The principal of the fund may not be appropriated but the income would be appropriated for the above specified purposes. For any year in which all or part of that income is appropriated, the above general revenue appropriation would be reduced by an equivalent amount. The Legislature may provide by law for the deposit to the credit of the Permanent School Fund of revenues in excess of the amount necessary to generate income to replace fully the general revenue appropriation.

The appropriations made in Section 1 would be allocated to the governing boards of eligible institutions by a formula to be determined by the Legislature or an agency designated by the Legislature. The Legislature may provide by law for a single agency to issue bonds and notes for the eligible institutions for refunding bonds or notes issued under Section 1 and for the purposes cited above, excluding acquisition of capital equipment, library books, and library materials. The total amount of bonds may not exceed the amount for which principal and interest is payable from 80% of the total appropriations from Section 1. Proceeds from the bonds would be allocated in the same manner as the appropriations under Section 1 and the agency issuing the bonds could pledge the appropriations to the payment of principal and interest on the bonds and notes.

The funds appropriated by Section 1 would not be able to be used without legislative approval for constructing, equipping, repairing, or rehabilitating buildings or other permanent improvements that are to be used for student, presidential, chancellor, faculty, or staff housing; intercollegiate athletics; or auxiliary enterprises. All institutions or agencies eligible to receive funds appropriated in Section 1 could not receive additional General Revenue Funds for acquiring land, constructing or equipping buildings or other permanent improvements, or for major repair and rehabilitation of existing buildings and improvements except in the case of fire or natural disaster. All new construction projects are subject to review and prior approval by the Legislature or an agency designated by the Legislature. Funds appropriated under Section 1 could not be expended without prior legislative approval for acquiring land and constructing and equipping buildings or other permanent improvements for a branch campus or educational center that is not a separate degree-granting institution created by general law. In addition to the other purposes provided by Subsection (a) of Section 1, the Legislature could authorize an agency or institution to spend appropriations or bond proceeds for utility costs associated with a building or other permanent improvement acquired or constructed with appropriations or bond proceeds.

authorized by the section. The annual appropriations, along with other provisions of Section 1, are self-enacting.

The probable cost of implementing the provisions of Section 1 during each of the first five years following passage is estimated as follows:

<u>Fiscal Year</u>	<u>Out of the General Revenue Fund</u>
1984	-0-
1985	\$75,000,000
1986	75,000,000
1987	75,000,000
1988	75,000,000

Section 3 of the resolution increases the bonding capacity of PUF from 20 percent to 30 percent of the cost value of PUF exclusive of real estate. Funds from these bonds and notes could be used at all Texas A&M University (TAMU) and University of Texas (UT) component institutions for the same purposes described in Section 1.

Section 3 of the resolution could result in a savings of general revenue by assuming use of PUF proceeds for projects at institutions previously not eligible for PUF proceeds. For comparative purposes, general revenue appropriations for the 1982-83 biennium for projects and acquisitions that would be covered by the provisions of this resolution at TAMU and UT components total \$18,853,169.

Additional square feet constructed by the increased bonding capacity could create a cost to the General Revenue Fund for utilities, custodial services, and building maintenance. The 1983 appropriated amount for those cost elements is \$3.74 per square foot per year. Using that rate, and assuming the additional square footage shown below, there could be additional costs to the General Revenue Fund as indicated.

<u>Fiscal Year</u>	<u>UT's Maximum Additional Bonds at 30%</u>	<u>TAMU's Maximum Additional Bonds at \$100/SF</u>	<u>Maximum Additional Square Footage at \$100/SF</u>	<u>Maximum Annual Additional Cost Out of the General Revenue Fund for Maintenance</u>
1984	\$190,000,000	\$95,000,000	2,661,468	\$ 9,953,890
1985	68,000,000	34,000,000	831,468	13,063,581
1986	75,000,000	37,400,000	935,468	16,562,231
1987	79,000,000	39,400,000	995,468	20,285,281
1988	85,000,000	42,400,000	1,085,468	24,344,932

At non-PUF components, the maximum impact on the General Revenue Fund, using the \$3.74 cost described above, could be as follows:

<u>Fiscal Year</u>	<u>Draw From the General Revenue Fund</u>	<u>Maximum Additional Square Footage at \$100/SF</u>	<u>Maximum Additional Cost Out of the General Revenue Fund for Maintenance</u>
1984	0	0	0
1985	\$75,000,000	187,463	\$ 701,112
1986	75,000,000	187,463	1,402,223
1987	75,000,000	187,463	2,103,335
1988	75,000,000	187,463	2,804,446

All PUF institutions would be prohibited from receiving General Revenue Funds for land acquisition, new construction, and major repair and rehabilitation except in the case of fire or natural disaster. The proceeds of the bonds or notes issued under Subsection (a) or (b) of Section 3 could not be used without prior legislative approval for constructing, equipping, repairing, or rehabilitating buildings or other permanent improvements that are to be used for student housing, intercollegiate athletics, or auxiliary enterprises.

All new construction projects undertaken by an agency or institution benefitting from bonds issued under Section 3 would be subject to review and prior approval by the Legislature or an agency designated by the Legislature. Bond proceeds issued under Section 3 could not be expended without prior legislative approval for acquiring land and constructing and equipping buildings or other permanent improvements for a branch campus or educational center that is not a separate degree-granting institution created by general law. In addition to the other purposes provided by Subsections (a) and (b) of Section 3, the Legislature could authorize an agency or institution to expend bond proceeds for utility costs associated with a building or other permanent improvement acquired or constructed with bond proceeds authorized by the section. The provisions of Section 3 are self-enacting.

Section 3 also provides for an annual allocation of \$6 million for ten years to be transferred from the UT System's share of the AUF to the TAMU System for use by Prairie View A&M University (PVAMU).

Similar annual fiscal implications would continue as long as the provisions of the amendment are in effect.

The proposed amendment would be submitted for voter approval on April 30, 1983.

The cost of publication of the resolution is estimated at \$47,750.

The fiscal implication to units of local government would depend on the taxable value of land that may be acquired and thereby become exempt from local taxes.


Jim Oliver
Director

Source: Comptroller of Public Accounts; Coordinating Board;
Attorney General's Office; University of Texas System;
Secretary of State; LBB Staff: JO, JH, WRR, LV

Jones

Flood Amendment 5

Amendment to Committee Substitute for H.J.R. 19

Amend SECTION 1, Section 17 (d), lines 26 and 27 to read as follows:

buildings or other permanent improvements, and may pledge up to 80
50 percent ~~(80%)~~ (50%) of the monies allocated to such governing
board pursuant

ADOPTED

APR 13 1983

Betty King
Secretary of the Senate

Amendment No. 6

By Daguer

Amend C.S. H. J.R. No. 19 by inserting the words "presidential housing, chancellor housing, faculty housing," on page 2, line 46, after the word "athletics," and on page 4, line 23, after the word "athletics,".

ADOPTED

APR 13 1983

Betsy King
Secretary of the Senate

Jones #7
How Amendment ¹ to Committee Substitute for H.J.R. 19

Amend SECTION 3, Section 18, Subsection (a), line 14, by adding the following after the word "system":

and other component institutions of the system which may be
created at a later date by general law:

Amend SECTION 3, Section 18, Subsection (b), line 11, by adding the following after the word "System":

and other component institutions of the system which may be
created at a later date by general law:

ADOPTED

APR 13 1983

Betty King
Secretary of the Senate

AMEND THE CAPTION TO CONFORM
TO THE BODY OF THE BILL

ADOPTED

APR 13 1983

Leah King
Secretary of the Senate

By Delco, et al.

H.J.R. No. 19

A JOINT RESOLUTION

1 proposing a constitutional amendment to provide funds for the
2 support of higher education and to restructure the permanent
3 university fund.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. That Article VII of the Texas Constitution be
6 amended by adding Section 17 to read as follows:

7 Sec. 17. (a) In the fiscal year beginning September 1,
8 1984, and each fiscal year thereafter, there is hereby appropriated
9 out of the first money coming into the general revenue fund the
10 following amounts to be used by eligible agencies and institutions
11 of higher education for the purpose of acquiring land either with
12 or without permanent improvements, constructing and equipping
13 buildings or other permanent improvements, major repair or
14 rehabilitation of existing buildings or other permanent
15 improvements, and acquisition of capital equipment, library books,
16 and library materials. In the fiscal year beginning September 1,
17 1984, and each fiscal year thereafter, \$75 million is hereby
18 appropriated. In the fiscal year beginning September 1, 1985, and
19 each fiscal year thereafter, the legislature may appropriate
20 additional amounts to the fund, but such appropriations shall be
21 taken from revenues produced by increased tuition at all eligible
22 agencies and institutions.

23 (b) Any revenue generated by a federal lease of land in the
24 outer continental shelf and allocated to the state under Section

1 8(g), Outer Continental Shelf Lands Act (43 U.S.C.A. Sec. 1337(g)),
2 shall be deposited to the credit of a special fund in the state
3 treasury. The principal of the fund may not be appropriated for
4 any purpose, but the income of the fund shall be appropriated in
5 accordance with Subsection (d) of this section for the purposes
6 provided by Subsection (a) of this section. For any year in which
7 all or part of that income is appropriated, the general revenue
8 appropriation under Subsection (a) of this section is reduced by an
9 equivalent amount. The legislature may provide by law for the
10 deposit to the credit of the permanent school fund of revenues in
11 excess of the amount necessary to generate income to fully replace
12 the general revenue appropriation.

13 (c) The funds appropriated under this section shall be for
14 the use of the following eligible agencies and institutions of
15 higher education (even though their names may be changed) together
16 with any additional institutions of higher education which are not
17 component institutions of The Texas A&M University System or The
18 University of Texas System which may be created at a later date by
19 general law:

20 (1) East Texas State University, including East Texas State
21 University at Texarkana;

22 (2) Lamar University, including Lamar University at Orange
23 and Lamar University at Port Arthur;

24 (3) Midwestern State University;

25 (4) North Texas State University;

26 (5) Pan American University, including Pan American
27 University at Brownsville;

1 (6) Stephen F. Austin State University;
2 (7) Texas College of Osteopathic Medicine;
3 (8) Texas State University System Administration and its
4 component institutions, including:

5 (9) Angelo State University;
6 (10) Sam Houston State University;
7 (11) Southwest Texas State University;
8 (12) Sul Ross State University, including Uvalde Study
9 Center;

10 (13) Texas Southern University;
11 (14) Texas Tech University;
12 (15) Texas Tech University Health Sciences Center;
13 (16) Texas Woman's University;
14 (17) University of Houston System Administration and its
15 component institutions, including:

16 (18) University of Houston Central Campus, including
17 University of Houston Center at Victoria;

18 (19) University of Houston at Clear Lake City;

19 (20) University of Houston Downtown College;

20 (21) University System of South Texas System Administration
21 and its component institutions, including:

22 (22) Corpus Christi State University;

23 (23) Laredo State University;

24 (24) Texas A&I University;

25 (25) West Texas State University.

26 (d) In the year 1985 and every 10 years thereafter, the
27 legislature or an agency designated by the legislature, no later

1 than August 31 of such year, shall allocate by equitable formula
2 the annual appropriations made under this section to the governing
3 boards of eligible agencies and institutions of higher education.
4 The legislature may review, or provide for a review, of the
5 allocation formula at any time, but shall review, or provide for a
6 review, of the allocation formula at the end of the fifth year of
7 each 10-year allocation period. At any time adjustments may be
8 made in the allocation formula, but no adjustment that will prevent
9 the payment of outstanding bonds and notes, both principal and
10 interest, may be made.

11 (e) The legislature may provide by law for a single agency
12 to issue bonds and notes for the benefit of institutions and
13 agencies eligible to benefit from appropriations under this
14 section. The proceeds of the bonds and notes may be expended for
15 the purpose of acquiring land either with or without permanent
16 improvements, constructing and equipping buildings or other
17 permanent improvements, major repair and rehabilitation of existing
18 buildings and other permanent improvements, or refunding bonds or
19 notes issued under this section. The total amount of bonds may not
20 exceed the amount for which principal and interest is payable from
21 80 percent of the total appropriations under this section. The
22 proceeds of the bonds shall be allocated in the same manner as the
23 appropriations under this section. The agency issuing the bonds
24 may pledge the appropriations under this section to the payment of
25 the principal of and interest on the bonds and notes. The bonds
26 and notes issued under this subsection shall be payable solely out
27 of the moneys appropriated by this section and shall mature

1 serially or otherwise in not more than 10 years from their
2 respective dates. All bonds issued under this section shall be
3 sold only through competitive bidding and are subject to approval
4 by the attorney general. Bonds approved by the attorney general
5 shall be incontestable. The permanent university fund may be
6 invested in the bonds and notes issued under this section.

7 (f) Without the approval of the legislature, the funds
8 appropriated by this section may not be used for the purpose of
9 constructing, equipping, repairing, or rehabilitating buildings or
10 other permanent improvements that are to be used for student
11 housing, presidential housing, chancellor housing, faculty housing,
12 or any other private residence for staff, for intercollegiate
13 athletics, or auxiliary enterprises.

14 (g) Other than the appropriations required in this section
15 from the general revenue fund, the state systems and institutions
16 of higher education designated in this section may not receive any
17 funds from the general revenue of the state for acquiring land with
18 or without permanent improvements, for constructing or equipping
19 buildings or other permanent improvements, or for major repair and
20 rehabilitation of existing buildings or other permanent
21 improvements, except that in the case of fire or natural disaster
22 the legislature may appropriate from the general revenue an amount
23 sufficient to replace any uninsured loss so incurred. This
24 subsection does not apply to legislative appropriations made prior
25 to the adoption of this amendment.

26 (h) Except for the appropriations pledged to the payment of
27 bonds and notes, the comptroller of public accounts shall make

1 annual transfers of the funds allocated pursuant to Subsection (d)
2 directly to the governing boards of the eligible institutions.

3 (i) In the manner provided by general law, all new
4 construction projects undertaken by an agency or institution
5 benefitting from appropriations under this section are subject to
6 review and prior approval by the legislature or an agency
7 designated by the legislature. Without the prior approval of the
8 legislature, appropriations under this section may not be expended
9 for acquiring land with or without permanent improvements, or for
10 constructing and equipping buildings or other permanent
11 improvements, for a branch campus or educational center that is not
12 a separate degree-granting institution created by general law.

13 (j) In addition to the purposes provided by Subsection (a)
14 of this section, the legislature by law may authorize an agency or
15 institution to spend appropriations or bond proceeds under this
16 section for utility costs associated with a building or other
17 permanent improvement acquired or constructed with appropriations
18 or the bond proceeds under this section.

19 (k) This section is self-enacting upon the issuance of the
20 governor's proclamation declaring the adoption of the amendment,
21 and the state comptroller of public accounts and the state
22 treasurer shall do all things necessary to effectuate this section.
23 This section does not impair any obligation created by the issuance
24 of any bonds and notes in accordance with prior law, and all
25 outstanding bonds and notes shall be paid in full, both principal
26 and interest, in accordance with their terms. If the provisions of
27 this section conflict with any other provisions of this

1 constitution, then the provisions of this section shall prevail,
2 notwithstanding all such conflicting provisions.

3 SECTION 2. That Article VII, Section 14, of the Texas
4 Constitution be revised to read as follows:

5 Sec. 14. Prairie View A&M University in Waller County is an
6 institution of the first class under the direction of the same
7 governing board as Texas A&M University, referred to in Article
8 VII, Section 13, of this constitution as the Agricultural and
9 Mechanical College of Texas.

10 SECTION 3. That Article VII, Section 18, of the Texas
11 Constitution be revised to read as follows:

12 Sec. 18. (a) The board of regents of The Texas A&M
13 University System may issue bonds and notes not to exceed a total
14 amount of 10 percent of the cost value of the investments and other
15 assets of the permanent university fund (exclusive of real estate)
16 at the time of the issuance thereof, and may pledge all or any part
17 of its one-third interest in the available university fund to
18 secure the payment of the principal and interest of those bonds and
19 notes, for the purpose of acquiring land either with or without
20 permanent improvements, constructing and equipping buildings or
21 other permanent improvements, major repair and rehabilitation of
22 existing buildings and other permanent improvements, acquiring
23 capital equipment and library books and library materials, and
24 refunding bonds or notes issued under this section or prior law, at
25 or for The Texas A&M University System administration and the
26 following component institutions of the system:

27 (1) Texas A&M University, including its medical college

1 which the legislature may authorize as a separate medical
2 institution;

3 (2) Prairie View A&M University, including its nursing
4 school in Houston;

5 (3) Tarleton State University;

6 (4) Texas A&M University at Galveston (formerly Moody
7 College of Marine Sciences and Maritime Resources);

8 (5) Texas Forest Service;

9 (6) Texas Agricultural Experiment Stations;

10 (7) Texas Agricultural Extension Service;

11 (8) Texas Engineering Experiment Stations;

12 (9) Texas Transportation Institute; and

13 (10) Texas Engineering Extension Service.

14 (b) The board of regents of The University of Texas System
15 may issue bonds and notes not to exceed a total amount of 20
16 percent of the cost value of investments and other assets of the
17 permanent university fund (exclusive of real estate) at the time of
18 issuance thereof, and may pledge all or any part of its two-thirds
19 interest in the available university fund to secure the payment of
20 the principal and interest of those bonds and notes, for the
21 purpose of acquiring land either with or without permanent
22 improvements, constructing and equipping buildings or other
23 permanent improvements, major repair and rehabilitation of existing
24 buildings and other permanent improvements, acquiring capital
25 equipment and library books and library materials, and refunding
26 bonds or notes issued under this section or prior law, at or for
27 The University of Texas System administration and the following

1 component institutions of the system:

- 2 (1) The University of Texas at Arlington;
- 3 (2) The University of Texas at Austin;
- 4 (3) The University of Texas at Dallas;
- 5 (4) The University of Texas at El Paso;
- 6 (5) The University of Texas of the Permian Basin;
- 7 (6) The University of Texas at San Antonio;
- 8 (7) The University of Texas at Tyler;
- 9 (8) The University of Texas Health Science Center at Dallas;
- 10 (9) The University of Texas Medical Branch at Galveston;
- 11 (10) The University of Texas Health Science Center at
- 12 Houston;
- 13 (11) The University of Texas Health Science Center at San
- 14 Antonio;
- 15 (12) The University of Texas System Cancer Center;
- 16 (13) The University of Texas Health Center at Tyler; and
- 17 (14) The University of Texas Institute of Texan Cultures at
- 18 San Antonio.

19 (c) Without the prior approval of the legislature or an
20 agency authorized by the legislature to grant the approval, the
21 proceeds of the bonds or notes issued under Subsection (a) or (b)
22 of this section may not be used for the purpose of constructing,
23 equipping, repairing, or rehabilitating buildings or other
24 permanent improvements that are to be used for student housing,
25 intercollegiate athletics, or auxiliary enterprises.

26 (d) The available university fund consists of the dividends,
27 interest, and other income from the permanent university fund (less

1 administrative expenses), including the net income attributable to
2 the surface of permanent university fund land. Out of one-third of
3 the available university fund, there shall be appropriated an
4 annual sum sufficient to pay the principal and interest due on the
5 bonds and notes issued by the board of regents of The Texas A&M
6 University System under this section and prior law, and the
7 remainder of that one-third of the available university fund shall
8 be appropriated to the board of regents of The Texas A&M University
9 System which shall have the authority and duty in turn to
10 appropriate an equitable portion of the same for the support and
11 maintenance of The Texas A&M University System administration,
12 Texas A&M University, and Prairie View A&M University. The board
13 of regents of The Texas A&M University System, in making just and
14 equitable appropriations to Texas A&M University and Prairie View
15 A&M University, shall exercise its discretion with due regard to
16 such criteria as the board may deem appropriate from year to year,
17 taking into account all amounts appropriated from Subsection (e) of
18 this section. Out of the other two-thirds of the available
19 university fund there shall be appropriated an annual sum
20 sufficient to pay the principal and interest due on the bonds and
21 notes issued by the board of regents of The University of Texas
22 System under this section and prior law, and the remainder of such
23 two-thirds of the available university fund, shall be appropriated
24 for the support and maintenance of The University of Texas at
25 Austin and The University of Texas System administration.

26 (e) It is provided, however, that, for 10 years beginning
27 September 1, 1983, before any other allocation is made of The

1 University of Texas System's two-thirds share of the available
2 university fund, remaining after payment of principal and interest
3 on its bonds and notes issued under this section and prior law, \$6
4 million per year shall be appropriated out of that share to the
5 board of regents of The Texas A&M University System for said
6 board's use in making appropriations to Prairie View A&M
7 University. This subsection expires and is deleted from this
8 constitution on August 31, 1993.

9 (f) The bonds and notes issued under this section shall be
10 payable solely out of the available university fund, mature
11 serially or otherwise in not more than 30 years from their
12 respective dates, and, except for refunding bonds, be sold only
13 through competitive bidding. All of these bonds and notes are
14 subject to approval by the attorney general and when so approved
15 are incontestable. The permanent university fund may be invested
16 in these bonds and notes.

17 (g) Other than the appropriations required in this section
18 from the available university fund, the state systems and
19 institutions of higher education designated in this section may not
20 receive any funds from the general revenue of the state for
21 acquiring land with or without permanent improvements, for
22 constructing or equipping buildings or other permanent
23 improvements, or for major repair and rehabilitation of existing
24 buildings or other permanent improvements, except that in the case
25 of fire or natural disaster the legislature may appropriate from
26 the general revenue an amount sufficient to replace any uninsured
27 loss so incurred. This subsection does not apply to legislative

1 appropriations made prior to the adoption of this amendment.

2 (h) In the manner provided by general law, all new
3 construction projects undertaken by an agency or institution
4 benefitting from bonds issued under this section are subject to
5 review and prior approval by the legislature or an agency
6 designated by the legislature. Without the prior approval of the
7 legislature, bond proceeds under this section may not be expended
8 for acquiring land with or without permanent improvements, or for
9 constructing and equipping buildings or other permanent
10 improvements, for a branch campus or educational center that is not
11 a separate degree-granting institution created by general law.

12 (i) In addition to the purposes provided by Subsections (a)
13 and (b) of this section, the legislature by law may authorize the
14 board of regents of The Texas A&M University System and the board
15 of regents of The University of Texas System to expend the proceeds
16 of bonds issued under this section for utility costs associated
17 with a building or other permanent improvement acquired or
18 constructed with bond proceeds after the effective date of this
19 subsection.

20 (j) This section is self-enacting on the issuance of the
21 governor's proclamation declaring the adoption of this amendment,
22 and the state comptroller of public accounts and the state
23 treasurer shall do all things necessary to effectuate this section.
24 This section does not impair any obligation created by the issuance
25 of bonds or notes in accordance with prior law, and all outstanding
26 bonds and notes shall be paid in full, both principal and interest,
27 in accordance with their terms, and the changes herein made in the

1 allocation of the available university fund shall not affect the
2 pledges thereof made in connection with such bonds or notes
3 heretofore issued. If the provisions of this section conflict with
4 any other provision of this constitution, then the provisions of
5 this section shall prevail, notwithstanding any such conflicting
6 provisions.

7 SECTION 4. That Article VII of the Texas Constitution be
8 amended by adding Section 19 to read as follows:

9 Sec. 19. Nothing in this article shall prevent the
10 legislature from terminating or in any way modifying any agency or
11 institution named in this article.

12 SECTION 5. This proposed constitutional amendment shall be
13 submitted to the voters at an election to be held April 30, 1983.
14 The ballot shall be printed to provide for voting for or against
15 the proposition: "The constitutional amendment appropriating \$75
16 million a year of general revenue to college construction and
17 related activities, allowing for the issuance of bonds based on
18 that appropriation, and increasing the bonding authority under the
19 permanent university fund and the number of institutions eligible
20 to benefit from those bonds."

By Delco, et al.

C.S.H.J.R. No. 19

SENATE AMENDMENT NO. 1

A JOINT RESOLUTION

1 proposing a constitutional amendment to provide funds for the
2 support of higher education and to restructure the permanent
3 university fund.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. That Article VII of the Texas Constitution be
6 amended by adding Section 17 to read as follows:

7 Section 17. (a) In the fiscal year beginning September 1,
8 1985, and each fiscal year thereafter, there is hereby appropriated
9 out of the first money coming into the state treasury not otherwise
10 appropriated by the Constitution \$125 million to be used by
11 eligible agencies and institutions of higher education for the
12 purpose of acquiring land either with or without permanent
13 improvements, constructing and equipping buildings or other
14 permanent improvements, major repair or rehabilitation of existing
15 buildings or other permanent improvements, and acquisition of
16 capital equipment, library books and library materials. In the
17 fiscal year beginning September 1, 1986, and each fiscal year
18 thereafter, in addition to the \$125 million hereby appropriated,
19 the legislature may appropriate an amount from the state treasury
20 equal to the previous year's appropriation adjusted upward by a
21 factor equal to any percentage increase in the cost of goods and
22 services for the previous calendar year as reflected in the All
23 Items Category of the Consumer Price Index -- U.S. Average for All
24 Urban Consumers -- Annual Average (published in January of each

1 year for the preceding year by the Bureau of Labor Statistics of
2 the U.S. Department of Labor) or its successor.

3 (b) The funds appropriated under Subsection (a) of this
4 section shall be for the use of the following eligible agencies and
5 institutions of higher education (even though their names may be
6 changed) together with any additional institutions of higher
7 education which are not component institutions of The Texas A&M
8 University System or The University of Texas System which may be
9 created at a later date by general law:

10 (1) East Texas State University including East Texas State
11 University at Texarkana;

12 (2) Lamar University including Lamar University at Orange
13 and Lamar University at Port Arthur;

14 (3) Midwestern State University;

15 (4) North Texas State University;

16 (5) Pan American University including Pan American
17 University at Brownsville;

18 (6) Stephen F. Austin State University;

19 (7) Texas College of Osteopathic Medicine;

20 (8) Texas State University System Administration and its
21 component institutions, including:

22 (9) Angelo State University;

23 (10) Sam Houston State University;

24 (11) Southwest Texas State University;

25 (12) Sul Ross State University including Uvalde Study
26 Center;

27 (13) Texas Southern University;

1 (14) Texas Tech University;

2 (15) Texas Tech University Health Sciences Center;

3 (16) Texas Woman's University;

4 (17) University of Houston System Administration and its
5 component institutions, including:

6 (18) University of Houston Central Campus including
7 University of Houston Center at Victoria;

8 (19) University of Houston at Clear Lake City;

9 (20) University of Houston Downtown College;

10 (21) University System of South Texas System Administration
11 and its component institutions, including:

12 (22) Corpus Christi State University;

13 (23) Laredo State University;

14 (24) Texas A&I University;

15 (25) West Texas State University.

16 (c) In the year 1985 and every ten years thereafter, the
17 legislature or an agency designated by the legislature no later
18 than August 31 of such year shall allocate by equitable formula the
19 annual appropriations made under Subsection (a) of this section to
20 the governing boards of eligible agencies and institutions of
21 higher education. The legislature shall review, or provide for a
22 review, of the allocation formula at the end of the fifth year of
23 each ten-year allocation period. At that time adjustments may be
24 made in the allocation formula, but no adjustment that will prevent
25 the payment of outstanding bonds and notes, both principal and
26 interest, may be made.

27 (d) Each governing board authorized to participate in the

1 distribution of monies under this section is authorized to expend
2 all monies distributed to it for any of the purposes enumerated in
3 Subsection (a). In addition, such governing board may issue bonds
4 and notes for the purposes of refunding bonds or notes issued under
5 this section or prior law, acquiring land either with or without
6 permanent improvements, constructing and equipping buildings or
7 other permanent improvements, and for major repair and
8 rehabilitation of existing buildings or other permanent
9 improvements, and may pledge up to 80 percent (80%) of the monies
10 allocated to such governing board pursuant to this section to
11 secure the payment of the principal and interest of such bonds or
12 notes. Proceeds from the issuance of bonds or notes under this
13 subsection shall be maintained in a local depository selected by
14 the governing board issuing the bonds or notes. The bonds and
15 notes issued under this subsection shall be payable solely out of
16 the monies appropriated by this section and shall mature serially
17 or otherwise in not more than ten years from their respective
18 dates. All bonds issued under this section shall be sold only
19 through competitive bidding and are subject to approval by the
20 Attorney General. Bonds approved by the Attorney General shall be
21 incontestable. The Permanent University Fund may be invested in
22 the bonds and notes issued under this section.

23 (e) Without the prior approval of the legislature or an
24 agency authorized by the legislature to grant the approval, the
25 funds appropriated by this section may not be used for the purpose
26 of constructing, equipping, repairing, or rehabilitating buildings
27 or other permanent improvements that are to be used for student

1 housing, intercollegiate athletics, or auxiliary enterprises.

2 (f) The Comptroller of Public Accounts shall make annual
3 transfers of the funds allocated pursuant to Subsection (c)
4 directly to the governing boards of the eligible institutions.

5 (g) The legislature may provide by law for role and scope
6 review by an agency in the legislative branch of new construction
7 projects undertaken by the institutions listed in, with funds
8 derived through, this Section. If the agency designated by the
9 legislature determines that an institution is in the planning
10 stages of beginning a new construction project that is not in its
11 role and scope, it may cause the project to be suspended until the
12 next regular session of the legislature at which time the agency
13 shall file with the Speaker of the House and the Lt. Governor its
14 objections to the project. During the ensuing session of the
15 legislature, the legislature shall approve or disapprove the
16 project.

17 (h) The legislature by general law may dedicate portions of
18 the state's revenues to the creation of a dedicated fund ("the
19 Higher Education Fund") for the purposes expressed in subsection
20 (a) of this section. At the beginning of the fiscal year after the
21 fund reaches \$2 billion, as certified by the Comptroller of Public
22 Accounts: (1) the dedication of general revenue funds provided for
23 in subsection (a) of this section shall cease; and (2) the revenue
24 sources dedicated to the higher education fund shall be applied to
25 the permanent school fund. The principal of the Higher Education
26 Fund shall never be expended, shall be invested as provided in the
27 constitution for the permanent university fund, and the interest

1 and other income earned on the fund shall be expended as provided
2 in this section of the constitution.

3 (i) This section is self-enacting upon the issuance of the
4 Governor's proclamation declaring the adoption of the amendment,
5 and the State Comptroller of Public Accounts and the State
6 Treasurer shall do all things necessary to effectuate this section.
7 This section does not impair any obligation created by the issuance
8 of any bonds and notes in accordance with prior law, and all
9 outstanding bonds and notes shall be paid in full, both principal
10 and interest, in accordance with their terms. If the provisions of
11 this section conflict with any other provisions of this
12 Constitution, then the provisions of this section shall prevail,
13 notwithstanding all such conflicting provisions.

14 SECTION 2. That Article VII, Section 14 of the Texas
15 Constitution be revised to read as follows:

16 Sec. 14. Prairie View A&M University in Waller County is an
17 institution of the first class under the direction of the same
18 governing board as Texas A&M University referred to in Article VII,
19 Section 13 of this constitution as the Agricultural and Mechanical
20 College of Texas.

21 SECTION 3. That Article VII, Section 18 of the Texas
22 Constitution be revised to read as follows:

23 Sec. 18. (a) The board of regents of The Texas A&M
24 University System may issue bonds and notes not to exceed a total
25 amount of 10 percent of the cost value of the investments and other
26 assets of the Permanent University Fund (exclusive of real estate)
27 at the time of the issuance thereof, and may pledge all or any part

1 of its one-third interest in the Available University Fund to
2 secure the payment of the principal and interest of those bonds and
3 notes, for the purpose of acquiring land either with or without
4 permanent improvements, constructing and equipping buildings or
5 other permanent improvements, major repair and rehabilitation of
6 existing buildings and other permanent improvements, acquiring
7 capital equipment and library books and library materials, and
8 refunding bonds or notes issued under this Section or prior law, at
9 or for The Texas A&M University System administration and the
10 following component institutions of the system:

11 (1) Texas A&M University, including its medical college
12 which the legislature may authorize as a separate medical
13 institution;

14 (2) Prairie View A&M University, including its nursing
15 school in Houston;

16 (3) Tarleton State University;

17 (4) Texas A&M University at Galveston (formerly Moody
18 College of Marine Sciences and Maritime Resources);

19 (5) Texas Forest Service;

20 (6) Texas Agricultural Experiment Stations;

21 (7) Texas Agricultural Extension Service;

22 (8) Texas Engineering Experiment Stations;

23 (9) Texas Transportation Institute; and

24 (10) Texas Engineering Extension Service.

25 (b) The Board of Regents of The University of Texas System
26 may issue bonds and notes not to exceed a total amount of 20
27 percent of the cost value of investments and other assets of the

1 Permanent University Fund (exclusive of real estate) at the time of
2 issuance thereof, and may pledge all or any part of its two-thirds
3 interest in the Available University Fund to secure the payment of
4 the principal and interest of those bonds and notes, for the
5 purpose of acquiring land either with or without permanent
6 improvements, constructing and equipping buildings or other
7 permanent improvements, major repair and rehabilitation of existing
8 buildings and other permanent improvements, acquiring capital
9 equipment and library books and library materials, and refunding
10 bonds or notes issued under this section or prior law, at or for
11 The University of Texas System administration and the following
12 component institutions of the System:

- 13 (1) The University of Texas at Arlington;
- 14 (2) The University of Texas at Austin;
- 15 (3) The University of Texas at Dallas;
- 16 (4) The University of Texas at El Paso;
- 17 (5) The University of Texas of the Permian Basin;
- 18 (6) The University of Texas at San Antonio;
- 19 (7) The University of Texas at Tyler;
- 20 (8) The University of Texas Health Science Center at Dallas;
- 21 (9) The University of Texas Medical Branch at Galveston;
- 22 (10) The University of Texas Health Science Center at
23 Houston;
- 24 (11) The University of Texas Health Science Center at San
25 Antonio;
- 26 (12) The University of Texas System Cancer Center;
- 27 (13) The University of Texas Health Center at Tyler; and

1 (14) The University of Texas Institute of Texan Cultures at
2 San Antonio.

3 (c) Without the prior approval of the legislature or an
4 agency authorized by the legislature to grant the approval, the
5 proceeds of the bonds or notes issued under Subsection (a) or (b)
6 of this section may not be used for the purpose of constructing,
7 equipping, repairing, or rehabilitating buildings or other
8 permanent improvements that are to be used for student housing,
9 intercollegiate athletics, or auxiliary enterprises.

10 (d) The Available University Fund consists of the dividends,
11 interest and other income from the Permanent University Fund (less
12 administrative expenses) including the net income attributable to
13 the surface of Permanent University Fund land. Out of one-third of
14 the Available University Fund, there shall be appropriated an
15 annual sum sufficient to pay the principal and interest due on the
16 bonds and notes issued by the board of regents of The Texas A&M
17 University System under this section and prior law, and the
18 remainder of that one-third of the Available University Fund shall
19 be appropriated to the board of regents of the Texas A&M University
20 System which shall have the authority and duty in turn to
21 appropriate an equitable portion of the same for the support and
22 maintenance of The Texas A&M University System administration,
23 Texas A&M University, and Prairie View A&M University. The board
24 of regents of The Texas A&M University System, in making just and
25 equitable appropriations to Texas A&M University and Prairie View
26 A&M University, shall exercise its discretion with due regard to
27 such criteria as the board may deem appropriate from year to year,

1 taking into account all amounts appropriated from Subsection (e) of
2 this section. Out of the other two-thirds of the Available
3 University Fund there shall be appropriated an annual sum
4 sufficient to pay the principal and interest due on the bonds and
5 notes issued by the Board of Regents of The University of Texas
6 System under this section and prior law, and the remainder of such
7 two-thirds of the Available University Fund, shall be appropriated
8 for the support and maintenance of The University of Texas at
9 Austin and The University of Texas System administration.

10 (e) It is provided, however, that, for ten years beginning
11 September 1, 1985, before any other allocation is made of The
12 University of Texas System's two-thirds share of the Available
13 University Fund, remaining after payment of principal and interest
14 on its bonds and notes issued under this section and prior law, \$6
15 million per year shall be appropriated out of that share to the
16 board of regents of The Texas A&M University System for said
17 board's use in making appropriations to Prairie View A&M
18 University. This subsection expires and is deleted from this
19 constitution on August 31, 1995.

20 (f) The bonds and notes issued under this Section shall be
21 payable solely out of the Available University Fund, mature
22 serially or otherwise in not more than 30 years from their
23 respective dates, and, except for refunding bonds, be sold only
24 through competitive bidding. All of these bonds and notes are
25 subject to approval by the Attorney General and when so approved
26 are incontestable. The Permanent University Fund may be invested
27 in these bonds and notes.

1 (g) Except for The University of Texas at Austin, Texas A&M
2 University in Brazos County and Prairie View A&M University in
3 Waller County, the legislature may provide by law for role and
4 scope review by an agency in the legislative branch of new
5 construction projects undertaken by the institutions listed in,
6 with funds derived through, subsection (a) and (b) of this Section.
7 If the agency designated by the legislature determines that an
8 institution is in the planning stages of beginning a new
9 construction project that is not in its role and scope, it may
10 cause the project to be suspended until the next regular session of
11 the legislature at which time the agency shall file with the
12 Speaker of the House and the Lt. Governor its objections to the
13 project. During the ensuing session of the legislature, the
14 legislature shall approve or disapprove the project.

15 (h) This section is self-enacting on the issuance of the
16 Governor's proclamation declaring the adoption of this amendment,
17 and the State Comptroller of Public Accounts and the State
18 Treasurer shall do all things necessary to effectuate this section.
19 This section does not impair any obligation created by the issuance
20 of bonds or notes in accordance with prior law, and all outstanding
21 bonds and notes shall be paid in full, both principal and interest,
22 in accordance with their terms, and the changes herein made in the
23 allocation of the Available University Fund shall not affect the
24 pledges thereof made in connection with such bonds or notes
25 heretofore issued. If the provisions of this section conflict with
26 any other provision of this Constitution, then the provisions of
27 this section shall prevail, notwithstanding any such conflicting

provisions.

SECTION 4. This proposed constitutional amendment shall be submitted to the voters at an election to be held on November 6, 1984. The ballot shall be printed to provide for voting for or against the proposition: "The constitutional amendment to provide funds for support of higher education and to restructure the permanent university fund."

Williams

SENATE AMENDMENT NO. 2

Amend SECTION 1, Section 17(d), lines 26 and 27 to read as follows:

buildings or other permanent improvements, and may pledge up to [80] 50 percent [~~80%~~] (50%) of the monies allocated to such governing board pursuant

Jones

SENATE AMENDMENT NO. 3

Amend C.S.H.J.R. No. 19 by inserting the words "presidential housing, chancellor housing, faculty housing," on page 2, line 46, after the word "athletics," and on page 4, line 23, after the word "athletics,".

Doggett

SENATE AMENDMENT NO. 4

Amend SECTION 3, Section 18, Subsection (a), line 14, by adding the following after the word "system":
and other component institutions of the system which may be created at a later date by general law:

Amend SECTION 3, Section 18, Subsection (b), line 11, by

1 adding the following after the word "System":
2 and other component institutions of the system which may be created
3 at a later date by general law:

4 Jones

5 SENATE AMENDMENT NO. 5

6 Amend the caption to conform to the body of the bill.

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SENATE AMENDMENTS

2nd Printing

By Delco, et al.

H.J.R. No. 19

A JOINT RESOLUTION

1 proposing a constitutional amendment to provide funds for the
2 support of higher education and to restructure the permanent
3 university fund.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. That Article VII of the Texas Constitution be
6 amended by adding Section 17 to read as follows:

7 Sec. 17. (a) In the fiscal year beginning September 1,
8 1984, and each fiscal year thereafter, there is hereby appropriated
9 out of the first money coming into the general revenue fund the
10 following amounts to be used by eligible agencies and institutions
11 of higher education for the purpose of acquiring land either with
12 or without permanent improvements, constructing and equipping
13 buildings or other permanent improvements, major repair or
14 rehabilitation of existing buildings or other permanent
15 improvements, and acquisition of capital equipment, library books,
16 and library materials. In the fiscal year beginning September 1,
17 1984, and each fiscal year thereafter, \$75 million is hereby
18 appropriated. In the fiscal year beginning September 1, 1985, and
19 each fiscal year thereafter, the legislature may appropriate
20 additional amounts to the fund, but such appropriations shall be
21 taken from revenues produced by increased tuition at all eligible
22 agencies and institutions.

23 (b) Any revenue generated by a federal lease of land in the
24 outer continental shelf and allocated to the state under Section

1 8(g), Outer Continental Shelf Lands Act (43 U.S.C.A. Sec. 1337(g)),
2 shall be deposited to the credit of a special fund in the state
3 treasury. The principal of the fund may not be appropriated for
4 any purpose, but the income of the fund shall be appropriated in
5 accordance with Subsection (d) of this section for the purposes
6 provided by Subsection (a) of this section. For any year in which
7 all or part of that income is appropriated, the general revenue
8 appropriation under Subsection (a) of this section is reduced by an
9 equivalent amount. The legislature may provide by law for the
10 deposit to the credit of the permanent school fund of revenues in
11 excess of the amount necessary to generate income to fully replace
12 the general revenue appropriation.

13 (c) The funds appropriated under this section shall be for
14 the use of the following eligible agencies and institutions of
15 higher education (even though their names may be changed) together
16 with any additional institutions of higher education which are not
17 component institutions of The Texas A&M University System or The
18 University of Texas System which may be created at a later date by
19 general law:

20 (1) East Texas State University, including East Texas State
21 University at Texarkana;

22 (2) Lamar University, including Lamar University at Orange
23 and Lamar University at Port Arthur;

24 (3) Midwestern State University;

25 (4) North Texas State University;

26 (5) Pan American University, including Pan American
27 University at Brownsville;

- 1 (6) Stephen F. Austin State University;
- 2 (7) Texas College of Osteopathic Medicine;
- 3 (8) Texas State University System Administration and its
- 4 component institutions, including:
- 5 (9) Angelo State University;
- 6 (10) Sam Houston State University;
- 7 (11) Southwest Texas State University;
- 8 (12) Sul Ross State University, including Uvalde Study
- 9 Center;
- 10 (13) Texas Southern University;
- 11 (14) Texas Tech University;
- 12 (15) Texas Tech University Health Sciences Center;
- 13 (16) Texas Woman's University;
- 14 (17) University of Houston System Administration and its
- 15 component institutions, including:
- 16 (18) University of Houston Central Campus, including
- 17 University of Houston Center at Victoria;
- 18 (19) University of Houston at Clear Lake City;
- 19 (20) University of Houston Downtown College;
- 20 (21) University System of South Texas System Administration
- 21 and its component institutions, including:
- 22 (22) Corpus Christi State University;
- 23 (23) Laredo State University;
- 24 (24) Texas A&I University;
- 25 (25) West Texas State University.
- 26 (d) In the year 1985 and every 10 years thereafter, the
- 27 legislature or an agency designated by the legislature, no later

1 than August 31 of such year, shall allocate by equitable formula
2 the annual appropriations made under this section to the governing
3 boards of eligible agencies and institutions of higher education.
4 The legislature may review, or provide for a review, of the
5 allocation formula at any time, but shall review, or provide for a
6 review, of the allocation formula at the end of the fifth year of
7 each 10-year allocation period. At any time adjustments may be
8 made in the allocation formula, but no adjustment that will prevent
9 the payment of outstanding bonds and notes, both principal and
10 interest, may be made.

11 (e) The legislature may provide by law for a single agency
12 to issue bonds and notes for the benefit of institutions and
13 agencies eligible to benefit from appropriations under this
14 section. The proceeds of the bonds and notes may be expended for
15 the purpose of acquiring land either with or without permanent
16 improvements, constructing and equipping buildings or other
17 permanent improvements, major repair and rehabilitation of existing
18 buildings and other permanent improvements, or refunding bonds or
19 notes issued under this section. The total amount of bonds may not
20 exceed the amount for which principal and interest is payable from
21 80 percent of the total appropriations under this section. The
22 proceeds of the bonds shall be allocated in the same manner as the
23 appropriations under this section. The agency issuing the bonds
24 may pledge the appropriations under this section to the payment of
25 the principal of and interest on the bonds and notes. The bonds
26 and notes issued under this subsection shall be payable solely out
27 of the moneys appropriated by this section and shall mature

1 serially or otherwise in not more than 10 years from their
2 respective dates. All bonds issued under this section shall be
3 sold only through competitive bidding and are subject to approval
4 by the attorney general. Bonds approved by the attorney general
5 shall be incontestable. The permanent university fund may be
6 invested in the bonds and notes issued under this section.

7 (f) Without the approval of the legislature, the funds
8 appropriated by this section may not be used for the purpose of
9 constructing, equipping, repairing, or rehabilitating buildings or
10 other permanent improvements that are to be used for student
11 housing, presidential housing, chancellor housing, faculty housing,
12 or any other private residence for staff, for intercollegiate
13 athletics, or auxiliary enterprises.

14 (g) Other than the appropriations required in this section
15 from the general revenue fund, the state systems and institutions
16 of higher education designated in this section may not receive any
17 funds from the general revenue of the state for acquiring land with
18 or without permanent improvements, for constructing or equipping
19 buildings or other permanent improvements, or for major repair and
20 rehabilitation of existing buildings or other permanent
21 improvements, except that in the case of fire or natural disaster
22 the legislature may appropriate from the general revenue an amount
23 sufficient to replace any uninsured loss so incurred. This
24 subsection does not apply to legislative appropriations made prior
25 to the adoption of this amendment.

26 (h) Except for the appropriations pledged to the payment of
27 bonds and notes, the comptroller of public accounts shall make

1 annual transfers of the funds allocated pursuant to Subsection (d)
2 directly to the governing boards of the eligible institutions.

3 (i) In the manner provided by general law, all new
4 construction projects undertaken by an agency or institution
5 benefitting from appropriations under this section are subject to
6 review and prior approval by the legislature or an agency
7 designated by the legislature. Without the prior approval of the
8 legislature, appropriations under this section may not be expended
9 for acquiring land with or without permanent improvements, or for
10 constructing and equipping buildings or other permanent
11 improvements, for a branch campus or educational center that is not
12 a separate degree-granting institution created by general law.

13 (j) In addition to the purposes provided by Subsection (a)
14 of this section, the legislature by law may authorize an agency or
15 institution to spend appropriations or bond proceeds under this
16 section for utility costs associated with a building or other
17 permanent improvement acquired or constructed with appropriations
18 or the bond proceeds under this section.

19 (k) This section is self-enacting upon the issuance of the
20 governor's proclamation declaring the adoption of the amendment,
21 and the state comptroller of public accounts and the state
22 treasurer shall do all things necessary to effectuate this section.
23 This section does not impair any obligation created by the issuance
24 of any bonds and notes in accordance with prior law, and all
25 outstanding bonds and notes shall be paid in full, both principal
26 and interest, in accordance with their terms. If the provisions of
27 this section conflict with any other provisions of this

1 constitution, then the provisions of this section shall prevail,
2 notwithstanding all such conflicting provisions.

3 SECTION 2. That Article VII, Section 14, of the Texas
4 Constitution be revised to read as follows:

5 Sec. 14. Prairie View A&M University in Waller County is an
6 institution of the first class under the direction of the same
7 governing board as Texas A&M University, referred to in Article
8 VII, Section 13, of this constitution as the Agricultural and
9 Mechanical College of Texas.

10 SECTION 3. That Article VII, Section 18, of the Texas
11 Constitution be revised to read as follows:

12 Sec. 18. (a) The board of regents of The Texas A&M
13 University System may issue bonds and notes not to exceed a total
14 amount of 10 percent of the cost value of the investments and other
15 assets of the permanent university fund (exclusive of real estate)
16 at the time of the issuance thereof, and may pledge all or any part
17 of its one-third interest in the available university fund to
18 secure the payment of the principal and interest of those bonds and
19 notes, for the purpose of acquiring land either with or without
20 permanent improvements, constructing and equipping buildings or
21 other permanent improvements, major repair and rehabilitation of
22 existing buildings and other permanent improvements, acquiring
23 capital equipment and library books and library materials, and
24 refunding bonds or notes issued under this section or prior law, at
25 or for The Texas A&M University System administration and the
26 following component institutions of the system:

27 (1) Texas A&M University, including its medical college

1 which the legislature may authorize as a separate medical
2 institution;

3 (2) Prairie View A&M University, including its nursing
4 school in Houston;

5 (3) Tarleton State University;

6 (4) Texas A&M University at Galveston (formerly Moody
7 College of Marine Sciences and Maritime Resources);

8 (5) Texas Forest Service;

9 (6) Texas Agricultural Experiment Stations;

10 (7) Texas Agricultural Extension Service;

11 (8) Texas Engineering Experiment Stations;

12 (9) Texas Transportation Institute; and

13 (10) Texas Engineering Extension Service.

14 (b) The board of regents of The University of Texas System
15 may issue bonds and notes not to exceed a total amount of 20
16 percent of the cost value of investments and other assets of the
17 permanent university fund (exclusive of real estate) at the time of
18 issuance thereof, and may pledge all or any part of its two-thirds
19 interest in the available university fund to secure the payment of
20 the principal and interest of those bonds and notes, for the
21 purpose of acquiring land either with or without permanent
22 improvements, constructing and equipping buildings or other
23 permanent improvements, major repair and rehabilitation of existing
24 buildings and other permanent improvements, acquiring capital
25 equipment and library books and library materials, and refunding
26 bonds or notes issued under this section or prior law, at or for
27 The University of Texas System administration and the following

1 component institutions of the system:

- 2 (1) The University of Texas at Arlington;
- 3 (2) The University of Texas at Austin;
- 4 (3) The University of Texas at Dallas;
- 5 (4) The University of Texas at El Paso;
- 6 (5) The University of Texas of the Permian Basin;
- 7 (6) The University of Texas at San Antonio;
- 8 (7) The University of Texas at Tyler;
- 9 (8) The University of Texas Health Science Center at Dallas;
- 10 (9) The University of Texas Medical Branch at Galveston;
- 11 (10) The University of Texas Health Science Center at
- 12 Houston;
- 13 (11) The University of Texas Health Science Center at San
- 14 Antonio;
- 15 (12) The University of Texas System Cancer Center;
- 16 (13) The University of Texas Health Center at Tyler; and
- 17 (14) The University of Texas Institute of Texan Cultures at
- 18 San Antonio.

19 (c) Without the prior approval of the legislature or an
20 agency authorized by the legislature to grant the approval, the
21 proceeds of the bonds or notes issued under Subsection (a) or (b)
22 of this section may not be used for the purpose of constructing,
23 equipping, repairing, or rehabilitating buildings or other
24 permanent improvements that are to be used for student housing,
25 intercollegiate athletics, or auxiliary enterprises.

26 (d) The available university fund consists of the dividends,
27 interest, and other income from the permanent university fund (less

1 administrative expenses), including the net income attributable to
2 the surface of permanent university fund land. Out of one-third of
3 the available university fund, there shall be appropriated an
4 annual sum sufficient to pay the principal and interest due on the
5 bonds and notes issued by the board of regents of The Texas A&M
6 University System under this section and prior law, and the
7 remainder of that one-third of the available university fund shall
8 be appropriated to the board of regents of The Texas A&M University
9 System which shall have the authority and duty in turn to
10 appropriate an equitable portion of the same for the support and
11 maintenance of The Texas A&M University System administration,
12 Texas A&M University, and Prairie View A&M University. The board
13 of regents of The Texas A&M University System, in making just and
14 equitable appropriations to Texas A&M University and Prairie View
15 A&M University, shall exercise its discretion with due regard to
16 such criteria as the board may deem appropriate from year to year,
17 taking into account all amounts appropriated from Subsection (e) of
18 this section. Out of the other two-thirds of the available
19 university fund there shall be appropriated an annual sum
20 sufficient to pay the principal and interest due on the bonds and
21 notes issued by the board of regents of The University of Texas
22 System under this section and prior law, and the remainder of such
23 two-thirds of the available university fund, shall be appropriated
24 for the support and maintenance of The University of Texas at
25 Austin and The University of Texas System administration.

26 (e) It is provided, however, that, for 10 years beginning
27 September 1, 1983, before any other allocation is made of The

1 University of Texas System's two-thirds share of the available
2 university fund, remaining after payment of principal and interest
3 on its bonds and notes issued under this section and prior law, \$6
4 million per year shall be appropriated out of that share to the
5 board of regents of The Texas A&M University System for said
6 board's use in making appropriations to Prairie View A&M
7 University. This subsection expires and is deleted from this
8 constitution on August 31, 1993.

9 (f) The bonds and notes issued under this section shall be
10 payable solely out of the available university fund, mature
11 serially or otherwise in not more than 30 years from their
12 respective dates, and, except for refunding bonds, be sold only
13 through competitive bidding. All of these bonds and notes are
14 subject to approval by the attorney general and when so approved
15 are incontestable. The permanent university fund may be invested
16 in these bonds and notes.

17 (g) Other than the appropriations required in this section
18 from the available university fund, the state systems and
19 institutions of higher education designated in this section may not
20 receive any funds from the general revenue of the state for
21 acquiring land with or without permanent improvements, for
22 constructing or equipping buildings or other permanent
23 improvements, or for major repair and rehabilitation of existing
24 buildings or other permanent improvements, except that in the case
25 of fire or natural disaster the legislature may appropriate from
26 the general revenue an amount sufficient to replace any uninsured
27 loss so incurred. This subsection does not apply to legislative

1 appropriations made prior to the adoption of this amendment.

2 (h) In the manner provided by general law, all new
3 construction projects undertaken by an agency or institution
4 benefitting from bonds issued under this section are subject to
5 review and prior approval by the legislature or an agency
6 designated by the legislature. Without the prior approval of the
7 legislature, bond proceeds under this section may not be expended
8 for acquiring land with or without permanent improvements, or for
9 constructing and equipping buildings or other permanent
10 improvements, for a branch campus or educational center that is not
11 a separate degree-granting institution created by general law.

12 (i) In addition to the purposes provided by Subsections (a)
13 and (b) of this section, the legislature by law may authorize the
14 board of regents of The Texas A&M University System and the board
15 of regents of The University of Texas System to expend the proceeds
16 of bonds issued under this section for utility costs associated
17 with a building or other permanent improvement acquired or
18 constructed with bond proceeds after the effective date of this
19 subsection.

20 (j) This section is self-enacting on the issuance of the
21 governor's proclamation declaring the adoption of this amendment,
22 and the state comptroller of public accounts and the state
23 treasurer shall do all things necessary to effectuate this section.
24 This section does not impair any obligation created by the issuance
25 of bonds or notes in accordance with prior law, and all outstanding
26 bonds and notes shall be paid in full, both principal and interest,
27 in accordance with their terms, and the changes herein made in the

1 allocation of the available university fund shall not affect the
2 pledges thereof made in connection with such bonds or notes
3 heretofore issued. If the provisions of this section conflict with
4 any other provision of this constitution, then the provisions of
5 this section shall prevail, notwithstanding any such conflicting
6 provisions.

7 SECTION 4. That Article VII of the Texas Constitution be
8 amended by adding Section 19 to read as follows:

9 Sec. 19. Nothing in this article shall prevent the
10 legislature from terminating or in any way modifying any agency or
11 institution named in this article.

12 SECTION 5. This proposed constitutional amendment shall be
13 submitted to the voters at an election to be held April 30, 1983.
14 The ballot shall be printed to provide for voting for or against
15 the proposition: "The constitutional amendment appropriating \$75
16 million a year of general revenue to college construction and
17 related activities, allowing for the issuance of bonds based on
18 that appropriation, and increasing the bonding authority under the
19 permanent university fund and the number of institutions eligible
20 to benefit from those bonds."

By Delco, et al.

C.S.H.J.R. No. 19

SENATE AMENDMENT NO. 1

A JOINT RESOLUTION

1 proposing a constitutional amendment to provide funds for the
2 support of higher education and to restructure the permanent
3 university fund.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. That Article VII of the Texas Constitution be
6 amended by adding Section 17 to read as follows:

7 Section 17. (a) In the fiscal year beginning September 1,
8 1985, and each fiscal year thereafter, there is hereby appropriated
9 out of the first money coming into the state treasury not otherwise
10 appropriated by the Constitution \$125 million to be used by
11 eligible agencies and institutions of higher education for the
12 purpose of acquiring land either with or without permanent
13 improvements, constructing and equipping buildings or other
14 permanent improvements, major repair or rehabilitation of existing
15 buildings or other permanent improvements, and acquisition of
16 capital equipment, library books and library materials. In the
17 fiscal year beginning September 1, 1986, and each fiscal year
18 thereafter, in addition to the \$125 million hereby appropriated,
19 the legislature may appropriate an amount from the state treasury
20 equal to the previous year's appropriation adjusted upward by a
21 factor equal to any percentage increase in the cost of goods and
22 services for the previous calendar year as reflected in the All
23 Items Category of the Consumer Price Index -- U.S. Average for All
24 Urban Consumers -- Annual Average (published in January of each

1 year for the preceding year by the Bureau of Labor Statistics of
2 the U.S. Department of Labor) or its successor.

3 (b) The funds appropriated under Subsection (a) of this
4 section shall be for the use of the following eligible agencies and
5 institutions of higher education (even though their names may be
6 changed) together with any additional institutions of higher
7 education which are not component institutions of The Texas A&M
8 University System or The University of Texas System which may be
9 created at a later date by general law:

10 (1) East Texas State University including East Texas State
11 University at Texarkana;

12 (2) Lamar University including Lamar University at Orange
13 and Lamar University at Port Arthur;

14 (3) Midwestern State University;

15 (4) North Texas State University;

16 (5) Pan American University including Pan American
17 University at Brownsville;

18 (6) Stephen F. Austin State University;

19 (7) Texas College of Osteopathic Medicine;

20 (8) Texas State University System Administration and its
21 component institutions, including:

22 (9) Angelo State University;

23 (10) Sam Houston State University;

24 (11) Southwest Texas State University;

25 (12) Sul Ross State University including Uvalde Study
26 Center;

27 (13) Texas Southern University;

1 (14) Texas Tech University;

2 (15) Texas Tech University Health Sciences Center;

3 (16) Texas Woman's University;

4 (17) University of Houston System Administration and its
5 component institutions, including:

6 (18) University of Houston Central Campus including
7 University of Houston Center at Victoria;

8 (19) University of Houston at Clear Lake City;

9 (20) University of Houston Downtown College;

10 (21) University System of South Texas System Administration
11 and its component institutions, including:

12 (22) Corpus Christi State University;

13 (23) Laredo State University;

14 (24) Texas A&I University;

15 (25) West Texas State University.

16 (c) In the year 1985 and every ten years thereafter, the
17 legislature or an agency designated by the legislature no later
18 than August 31 of such year shall allocate by equitable formula the
19 annual appropriations made under Subsection (a) of this section to
20 the governing boards of eligible agencies and institutions of
21 higher education. The legislature shall review, or provide for a
22 review, of the allocation formula at the end of the fifth year of
23 each ten-year allocation period. At that time adjustments may be
24 made in the allocation formula, but no adjustment that will prevent
25 the payment of outstanding bonds and notes, both principal and
26 interest, may be made.

27 (d) Each governing board authorized to participate in the

1 distribution of monies under this section is authorized to expend
2 all monies distributed to it for any of the purposes enumerated in
3 Subsection (a). In addition, such governing board may issue bonds
4 and notes for the purposes of refunding bonds or notes issued under
5 this section or prior law, acquiring land either with or without
6 permanent improvements, constructing and equipping buildings or
7 other permanent improvements, and for major repair and
8 rehabilitation of existing buildings or other permanent
9 improvements, and may pledge up to 80 percent (80%) of the monies
10 allocated to such governing board pursuant to this section to
11 secure the payment of the principal and interest of such bonds or
12 notes. Proceeds from the issuance of bonds or notes under this
13 subsection shall be maintained in a local depository selected by
14 the governing board issuing the bonds or notes. The bonds and
15 notes issued under this subsection shall be payable solely out of
16 the monies appropriated by this section and shall mature serially
17 or otherwise in not more than ten years from their respective
18 dates. All bonds issued under this section shall be sold only
19 through competitive bidding and are subject to approval by the
20 Attorney General. Bonds approved by the Attorney General shall be
21 incontestable. The Permanent University Fund may be invested in
22 the bonds and notes issued under this section.

23 (e) Without the prior approval of the legislature or an
24 agency authorized by the legislature to grant the approval, the
25 funds appropriated by this section may not be used for the purpose
26 of constructing, equipping, repairing, or rehabilitating buildings
27 or other permanent improvements that are to be used for student

1 housing, intercollegiate athletics, or auxiliary enterprises.

2 (f) The Comptroller of Public Accounts shall make annual
3 transfers of the funds allocated pursuant to Subsection (c)
4 directly to the governing boards of the eligible institutions.

5 (g) The legislature may provide by law for role and scope
6 review by an agency in the legislative branch of new construction
7 projects undertaken by the institutions listed in, with funds
8 derived through, this Section. If the agency designated by the
9 legislature determines that an institution is in the planning
10 stages of beginning a new construction project that is not in its
11 role and scope, it may cause the project to be suspended until the
12 next regular session of the legislature at which time the agency
13 shall file with the Speaker of the House and the Lt. Governor its
14 objections to the project. During the ensuing session of the
15 legislature, the legislature shall approve or disapprove the
16 project.

17 (h) The legislature by general law may dedicate portions of
18 the state's revenues to the creation of a dedicated fund ("the
19 Higher Education Fund") for the purposes expressed in subsection
20 (a) of this section. At the beginning of the fiscal year after the
21 fund reaches \$2 billion, as certified by the Comptroller of Public
22 Accounts: (1) the dedication of general revenue funds provided for
23 in subsection (a) of this section shall cease; and (2) the revenue
24 sources dedicated to the higher education fund shall be applied to
25 the permanent school fund. The principal of the Higher Education
26 Fund shall never be expended, shall be invested as provided in the
27 constitution for the permanent university fund, and the interest

1 and other income earned on the fund shall be expended as provided
2 in this section of the constitution.

3 (i) This section is self-enacting upon the issuance of the
4 Governor's proclamation declaring the adoption of the amendment,
5 and the State Comptroller of Public Accounts and the State
6 Treasurer shall do all things necessary to effectuate this section.
7 This section does not impair any obligation created by the issuance
8 of any bonds and notes in accordance with prior law, and all
9 outstanding bonds and notes shall be paid in full, both principal
10 and interest, in accordance with their terms. If the provisions of
11 this section conflict with any other provisions of this
12 Constitution, then the provisions of this section shall prevail,
13 notwithstanding all such conflicting provisions.

14 SECTION 2. That Article VII, Section 14 of the Texas
15 Constitution be revised to read as follows:

16 Sec. 14. Prairie View A&M University in Waller County is an
17 institution of the first class under the direction of the same
18 governing board as Texas A&M University referred to in Article VII,
19 Section 13 of this constitution as the Agricultural and Mechanical
20 College of Texas.

21 SECTION 3. That Article VII, Section 18 of the Texas
22 Constitution be revised to read as follows:

23 Sec. 18. (a) The board of regents of The Texas A&M
24 University System may issue bonds and notes not to exceed a total
25 amount of 10 percent of the cost value of the investments and other
26 assets of the Permanent University Fund (exclusive of real estate)
27 at the time of the issuance thereof, and may pledge all or any part

1 of its one-third interest in the Available University Fund to
2 secure the payment of the principal and interest of those bonds and
3 notes, for the purpose of acquiring land either with or without
4 permanent improvements, constructing and equipping buildings or
5 other permanent improvements, major repair and rehabilitation of
6 existing buildings and other permanent improvements, acquiring
7 capital equipment and library books and library materials, and
8 refunding bonds or notes issued under this Section or prior law, at
9 or for The Texas A&M University System administration and the
10 following component institutions of the system:

11 (1) Texas A&M University, including its medical college
12 which the legislature may authorize as a separate medical
13 institution;

14 (2) Prairie View A&M University, including its nursing
15 school in Houston;

16 (3) Tarleton State University;

17 (4) Texas A&M University at Galveston (formerly Moody
18 College of Marine Sciences and Maritime Resources);

19 (5) Texas Forest Service;

20 (6) Texas Agricultural Experiment Stations;

21 (7) Texas Agricultural Extension Service;

22 (8) Texas Engineering Experiment Stations;

23 (9) Texas Transportation Institute; and

24 (10) Texas Engineering Extension Service.

25 (b) The Board of Regents of The University of Texas System
26 may issue bonds and notes not to exceed a total amount of 20
27 percent of the cost value of investments and other assets of the

1 Permanent University Fund (exclusive of real estate) at the time of
2 issuance thereof, and may pledge all or any part of its two-thirds
3 interest in the Available University Fund to secure the payment of
4 the principal and interest of those bonds and notes, for the
5 purpose of acquiring land either with or without permanent
6 improvements, constructing and equipping buildings or other
7 permanent improvements, major repair and rehabilitation of existing
8 buildings and other permanent improvements, acquiring capital
9 equipment and library books and library materials, and refunding
10 bonds or notes issued under this section or prior law, at or for
11 The University of Texas System administration and the following
12 component institutions of the System:

- 13 (1) The University of Texas at Arlington;
- 14 (2) The University of Texas at Austin;
- 15 (3) The University of Texas at Dallas;
- 16 (4) The University of Texas at El Paso;
- 17 (5) The University of Texas of the Permian Basin;
- 18 (6) The University of Texas at San Antonio;
- 19 (7) The University of Texas at Tyler;
- 20 (8) The University of Texas Health Science Center at Dallas;
- 21 (9) The University of Texas Medical Branch at Galveston;
- 22 (10) The University of Texas Health Science Center at
23 Houston;
- 24 (11) The University of Texas Health Science Center at San
25 Antonio;
- 26 (12) The University of Texas System Cancer Center;
- 27 (13) The University of Texas Health Center at Tyler; and

1 (14) The University of Texas Institute of Texan Cultures at
2 San Antonio.

3 (c) Without the prior approval of the legislature or an
4 agency authorized by the legislature to grant the approval, the
5 proceeds of the bonds or notes issued under Subsection (a) or (b)
6 of this section may not be used for the purpose of constructing,
7 equipping, repairing, or rehabilitating buildings or other
8 permanent improvements that are to be used for student housing,
9 intercollegiate athletics, or auxiliary enterprises.

10 (d) The Available University Fund consists of the dividends,
11 interest and other income from the Permanent University Fund (less
12 administrative expenses) including the net income attributable to
13 the surface of Permanent University Fund land. Out of one-third of
14 the Available University Fund, there shall be appropriated an
15 annual sum sufficient to pay the principal and interest due on the
16 bonds and notes issued by the board of regents of The Texas A&M
17 University System under this section and prior law, and the
18 remainder of that one-third of the Available University Fund shall
19 be appropriated to the board of regents of the Texas A&M University
20 System which shall have the authority and duty in turn to
21 appropriate an equitable portion of the same for the support and
22 maintenance of The Texas A&M University System administration,
23 Texas A&M University, and Prairie View A&M University. The board
24 of regents of The Texas A&M University System, in making just and
25 equitable appropriations to Texas A&M University and Prairie View
26 A&M University, shall exercise its discretion with due regard to
27 such criteria as the board may deem appropriate from year to year,

1 taking into account all amounts appropriated from Subsection (e) of
 2 this section. Out of the other two-thirds of the Available
 3 University Fund there shall be appropriated an annual sum
 4 sufficient to pay the principal and interest due on the bonds and
 5 notes issued by the Board of Regents of The University of Texas
 6 System under this section and prior law, and the remainder of such
 7 two-thirds of the Available University Fund, shall be appropriated
 8 for the support and maintenance of The University of Texas at
 9 Austin and The University of Texas System administration.

10 (e) It is provided, however, that, for ten years beginning
 11 September 1, 1985, before any other allocation is made of The
 12 University of Texas System's two-thirds share of the Available
 13 University Fund, remaining after payment of principal and interest
 14 on its bonds and notes issued under this section and prior law, \$6
 15 million per year shall be appropriated out of that share to the
 16 board of regents of The Texas A&M University System for said
 17 board's use in making appropriations to Prairie View A&M
 18 University. This subsection expires and is deleted from this
 19 constitution on August 31, 1995.

20 (f) The bonds and notes issued under this Section shall be
 21 payable solely out of the Available University Fund, mature
 22 serially or otherwise in not more than 30 years from their
 23 respective dates, and, except for refunding bonds, be sold only
 24 through competitive bidding. All of these bonds and notes are
 25 subject to approval by the Attorney General and when so approved
 26 are incontestable. The Permanent University Fund may be invested
 27 in these bonds and notes.

1 (g) Except for The University of Texas at Austin, Texas A&M
2 University in Brazos County and Prairie View A&M University in
3 Waller County, the legislature may provide by law for role and
4 scope review by an agency in the legislative branch of new
5 construction projects undertaken by the institutions listed in,
6 with funds derived through, subsection (a) and (b) of this Section.
7 If the agency designated by the legislature determines that an
8 institution is in the planning stages of beginning a new
9 construction project that is not in its role and scope, it may
10 cause the project to be suspended until the next regular session of
11 the legislature at which time the agency shall file with the
12 Speaker of the House and the Lt. Governor its objections to the
13 project. During the ensuing session of the legislature, the
14 legislature shall approve or disapprove the project.

15 (h) This section is self-enacting on the issuance of the
16 Governor's proclamation declaring the adoption of this amendment,
17 and the State Comptroller of Public Accounts and the State
18 Treasurer shall do all things necessary to effectuate this section.
19 This section does not impair any obligation created by the issuance
20 of bonds or notes in accordance with prior law, and all outstanding
21 bonds and notes shall be paid in full, both principal and interest,
22 in accordance with their terms, and the changes herein made in the
23 allocation of the Available University Fund shall not affect the
24 pledges thereof made in connection with such bonds or notes
25 heretofore issued. If the provisions of this section conflict with
26 any other provision of this Constitution, then the provisions of
27 this section shall prevail, notwithstanding any such conflicting

provisions.

SECTION 4. This proposed constitutional amendment shall be submitted to the voters at an election to be held on November 6, 1984. The ballot shall be printed to provide for voting for or against the proposition: "The constitutional amendment to provide funds for support of higher education and to restructure the permanent university fund."

Williams

SENATE AMENDMENT NO. 2

Amend SECTION 1, Section 17(d), lines 26 and 27 to read as follows:

buildings or other permanent improvements, and may pledge up to [80] 50 percent [~~80%~~] (50%) of the monies allocated to such governing board pursuant

Jones

SENATE AMENDMENT NO. 3

Amend C.S.H.J.R. No. 19 by inserting the words "presidential housing, chancellor housing, faculty housing," on page 2, line 46, after the word "athletics," and on page 4, line 23, after the word "athletics,".

Doggett

SENATE AMENDMENT NO. 4

Amend SECTION 3, Section 18, Subsection (a), line 14, by adding the following after the word "system":
and other component institutions of the system which may be created at a later date by general law:

Amend SECTION 3, Section 18, Subsection (b), line 11, by

1 adding the following after the word "System":
2 and other component institutions of the system which may be created
3 at a later date by general law:

4 Jones

5 SENATE AMENDMENT NO. 5

6 Amend the caption to conform to the body of the bill.

CONFERENCE COMMITTEE REPORT FORM

4 12:58
REPRESENTATIVES

Austin, Texas

5-19-83

Date

Honorable William P. Hobby
President of the Senate

Honorable Gibson D. "Gib" Lewis
Speaker of the House of Representatives

Sir:

We, your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on H. J. R. 19 have met and had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Carl A. Parker
Senator Carl Parker
Bob Vale
Senator Bob Vale
Grant Jones
Senator Grant Jones
Kent Caperton
Senator Kent Caperton
Bob McFarland
On the part of the Senate

Wilhelmina Delco
Rep. Wilhelmina Delco
Bill Messer
Rep. Bill Messer
Hugo Berlanga
Rep. Hugo Berlanga
Lee Jackson
Rep. Lee Jackson
John Gavin
On the part of the House

aper clip one of these forms to each of the following:
the original and two copies to the house of origin
three copies to the other house

ADOPTED

MAY 25 1983

Betty Murray
Chief Clerk
House of Representatives

by record
Vote 131 yeas
13 nays 2 prv

H.J.R. No. 19

CONFERENCE COMMITTEE REPORT

A JOINT RESOLUTION

proposing a constitutional amendment to provide funds for the support of higher education and to restructure the permanent university fund.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. That Article VII of the Texas Constitution be amended by adding Section 17 to read as follows:

Section 17. (a) In the fiscal year beginning September 1, 1985, and each fiscal year thereafter, there is hereby appropriated out of the first money coming into the state treasury not otherwise appropriated by the Constitution \$100 million to be used by eligible agencies and institutions of higher education for the purpose of acquiring land either with or without permanent improvements, constructing and equipping buildings or other permanent improvements, major repair or rehabilitation of buildings or other permanent improvements, and acquisition of capital equipment, library books and library materials. During the regular session of the Legislature that is nearest, but preceding, the beginning of each fifth fiscal year dating from September 1, 1985, the Legislature may by two-thirds vote of the membership of each House adjust the amount of the constitutional appropriation for the ensuing five years but may not adjust the appropriation in such a way as to impair any obligation created by the issuance of bonds or notes in accordance with this Section.

(b) The funds appropriated under Subsection (a) of this section shall be for the use of the following eligible agencies and institutions of higher education (even though their names may be changed):

(1) East Texas State University including East Texas State

- 1 University at Texarkana;
- 2 (2) Lamar University including Lamar University at Orange and
- 3 Lamar University at Port Arthur;
- 4 (3) Midwestern State University;
- 5 (4) North Texas State University;
- 6 (5) Pan American University including Pan American University
- 7 at Brownsville;
- 8 (6) Stephen F. Austin State University;
- 9 (7) Texas College of Osteopathic Medicine;
- 10 (8) Texas State University System Administration and the
- 11 following component institutions:
- 12 (9) Angelo State University;
- 13 (10) Sam Houston State University;
- 14 (11) Southwest Texas State University;
- 15 (12) Sul Ross State University including Uvalde Study
- 16 Center;
- 17 (13) Texas Southern University;
- 18 (14) Texas Tech University;
- 19 (15) Texas Tech University Health Sciences Center;
- 20 (16) Texas Woman's University;
- 21 (17) University of Houston System Administration and the
- 22 following component institutions:
- 23 (18) University of Houston - University Park;
- 24 (19) University of Houston - Victoria;
- 25 (20) University of Houston - Clear Lake;
- 26 (21) University of Houston - Downtown;
- 27 (22) University System of South Texas System Administration and
- 28 the following component institutions:
- 29 (23) Corpus Christi State University;
- 30 (24) Laredo State University;

1 (25) Texas A&I University; and

2 (26) West Texas State University.

3 (c) Pursuant to a two-thirds vote of the membership of each
4 house of the legislature, institutions of higher education may be
5 created at a later date by general law, and, when created, such an
6 institution shall be entitled to participate in the funding provided
7 by this section if it is not created as a part of The University of
8 Texas System or The Texas A&M University System. An institution that
9 is entitled to participate in dedicated funding provided by Article
10 VII, Section 18 of this constitution may not be entitled to
11 participate in the funding provided by this section.

12 (d) In the year 1985 and every ¹⁰~~ten~~ years thereafter, the
13 legislature or an agency designated by the legislature no later than
14 August 31 of such year shall allocate by equitable formula the annual
15 appropriations made under Subsection (a) of this section to the
16 governing boards of eligible agencies and institutions of higher
17 education. The legislature shall review, or provide for a review, of
18 the allocation formula at the end of the fifth year of each ~~ten~~¹⁰-year
19 allocation period. At that time adjustments may be made in the
20 allocation formula, but no adjustment that will prevent the payment of
21 outstanding bonds and notes, both principal and interest, may be made.

22 (e) Each governing board authorized to participate in the
23 distribution of ^{ev}monies under this section is authorized to expend all
24 ²⁴monies distributed to it for any of the purposes enumerated in
25 Subsection (a). In addition, unless a single bonding agency is
26 designated as hereinafter provided, such governing board may issue
27 bonds and notes for the purposes of refunding bonds or notes issued
28 under this section or prior law, acquiring land either with or without
29 permanent improvements, constructing and equipping buildings or other
30 permanent improvements, and for major repair and rehabilitation of
31 buildings or other permanent improvements, and may pledge up to fifty

1 percent ^{50%} of the monies^{50%} allocated to such governing board pursuant
2 to this section to secure the payment of the principal and interest of
3 such bonds or notes. Proceeds from the issuance of bonds or notes
4 under this subsection shall be maintained in a local depository
5 selected by the governing board issuing the bonds or notes. The bonds
6 and notes issued under this subsection shall be payable solely out of
7 the monies^{50%} appropriated by this section and shall mature serially or
8 otherwise in not more than ten years from their respective dates. All
9 bonds issued under this section shall be sold only through competitive
10 bidding and are subject to approval by the Attorney General. Bonds
11 approved by the Attorney General shall be incontestable. The
12 Permanent University Fund may be invested in the bonds and notes
13 issued under this section. In lieu of the authority granted to each
14 governing board herein, the legislature by general law may designate a
15 single agency to issue bonds and notes authorized under this section
16 and transfer to that agency the authority to collect and pledge monies^{50%}
17 to the payment of such bonds and notes for the purposes, to the
18 extent, and subject to the restrictions of this section. Provided,
19 that such agency shall be authorized to issue such bonds and notes for
20 the benefit of an eligible institution and pledge monies collected
21 hereunder only as directed by the governing board of each eligible
22 institution.

23 (f) The funds appropriated by this section may not be used for
24 the purpose of constructing, equipping, repairing, or rehabilitating
25 buildings or other permanent improvements that are to be used for
26 student housing, intercollegiate athletics, or auxiliary enterprises.

27 (g) Except for that portion of the allocated funds that may be
28 required to be transferred to a single bonding agency, if one is
29 created, the Comptroller of Public Accounts shall make annual
30 transfers of the funds allocated pursuant to Subsection (d) directly
31 to the governing boards of the eligible institutions.

1 (h) To assure efficient use of construction funds and the
2 orderly development of physical plants to accommodate the state's real
3 need, the Legislature may provide for the approval or disapproval of
4 all new construction projects at the eligible agencies and
5 institutions entitled to participate in the funding provided by this
6 section.

7 (i) The legislature by general law may dedicate portions of the
8 state's revenues to the creation of a dedicated fund ("the Higher
9 Education Fund") for the purposes expressed in subsection (a) of this
10 section. The legislature shall provide for administration of the
11 fund, which shall be invested in the manner provided for investment of
12 the permanent university fund. The income from the investment of the
13 Higher Education Fund shall be credited to the Higher Education Fund
14 until such time as the fund totals \$2 billion. The principal of the
15 Higher Education Fund shall never be expended. At the beginning of
16 the fiscal year after the fund reaches \$2 billion, as certified by the
17 Comptroller of Public Accounts, the dedication of general revenue
18 funds provided for in subsection (a) of this section shall cease. At
19 the beginning of the fiscal year after the fund reaches \$2 billion,
20 and each year thereafter, ~~ten percent (10%)~~ of the interest, dividends,
21 and other income accruing from the investments of the Higher Education
22 Fund during the previous fiscal year shall be deposited and become
23 part of the principal of the fund, and out of the remainder of the
24 annual income from the investment of the principal of the fund there
25 shall be appropriated an annual sum sufficient to pay the principal
26 and interest due on the bonds and notes issued under this section and
27 the balance of the income shall be allocated, distributed, and expended
28 as provided for the appropriations made under subsection (a).

29 (j) The state systems and institutions of higher education
30 designated in this section may not receive any additional funds from
31 the general revenue of the state for acquiring land with or without

1 permanent improvements, for constructing or equipping buildings or
2 other permanent improvements, or for major repair and rehabilitation
3 of buildings or other permanent improvements except that:

4 (1) in the case of fire or natural disaster the legislature may
5 appropriate from the general revenue an amount sufficient to
6 replace the uninsured loss of any building or other permanent
7 improvement; and

8 (2) the legislature, by two-thirds vote of each house, may, in
9 cases of demonstrated need, which need must be clearly expressed
10 in the body of the act, appropriate additional general revenue
11 funds for acquiring land with or without permanent improvements,
12 for constructing or equipping buildings or other permanent
13 improvements, or for major repair and rehabilitation of buildings
14 or other permanent improvements.

15 This subsection does not apply to Legislative appropriations made
16 prior to the adoption of this amendment.

17 (k) Without the prior approval of the legislature,
18 appropriations under this section may not be expended for acquiring
19 land with or without permanent improvements, or for constructing and
20 equipping buildings or other permanent improvements, for a branch
21 campus or educational center that is not a separate degree-granting
22 institution created by general law.

23 (1) This section is self-enacting upon the issuance of the
24 Governor's proclamation declaring the adoption of the amendment, and
25 the State Comptroller of Public Accounts and the State Treasurer shall
26 do all things necessary to effectuate this section. This section does
27 not impair any obligation created by the issuance of any bonds and
28 notes in accordance with prior law, and all outstanding bonds and
29 notes shall be paid in full, both principal and interest, in
30 accordance with their terms. If the provisions of this section
31 conflict with any other provisions of this Constitution, then the

1 provisions of this section shall prevail, notwithstanding all such
2 conflicting provisions.

3 SECTION 2. That Article VII, Section 14 of the Texas
4 Constitution be revised to read as follows:

5 Sec. 14. Prairie View A&M University in Waller County is an
6 institution of the first class under the direction of the same
7 governing board as Texas A&M University referred to in Article VII,
8 Section 13 of this constitution as the Agricultural and Mechanical
9 College of Texas.

10 SECTION 3. That Article VII, Section 18 of the Texas
11 Constitution be revised to read as follows:

12 Sec. 18. (a) The board of regents of The Texas A&M University
13 System may issue bonds and notes not to exceed a total amount of ¹⁰~~ten~~
14 percent ~~(10%)~~ of the cost value of the investments and other assets of
15 the Permanent University Fund (exclusive of real estate) at the time
16 of the issuance thereof, and may pledge all or any part of its one-third
17 interest in the Available University Fund to secure the payment of the
18 principal and interest of those bonds and notes, for the purpose of
19 acquiring land either with or without permanent improvements,
20 constructing and equipping buildings or other permanent improvements,
21 major repair and rehabilitation of buildings and other permanent
22 improvements, acquiring capital equipment and library books and
23 library materials, and refunding bonds or notes issued under this
24 Section or prior law, at or for The Texas A&M University System
25 administration and the following component institutions of the system:

26 § (1) Texas A&M University, including its medical college which
27 the legislature may authorize as a separate medical
28 institution;

29 § (2) Prairie View A&M University, including its nursing school in
30 Houston;

- (3) Tarleton State University;
- (4) Texas A&M University at Galveston;
- (5) Texas Forest Service;
- (6) Texas Agricultural Experiment Stations;
- (7) Texas Agricultural Extension Service;
- (8) Texas Engineering Experiment Stations;
- (9) Texas Transportation Institute; and
- (10) Texas Engineering Extension Service.

(b) The Board of Regents of The University of Texas System may issue bonds and notes not to exceed a total amount of twenty percent ~~(20%)~~ of the cost value of investments and other assets of the Permanent University Fund (exclusive of real estate) at the time of issuance thereof, and may pledge all or any part of its two-thirds interest in the Available University Fund to secure the payment of the principal and interest of those bonds and notes, for the purpose of acquiring land either with or without permanent improvements, constructing and equipping buildings or other permanent improvements, major repair and rehabilitation of buildings and other permanent improvements, acquiring capital equipment and library books and library materials, and refunding bonds or notes issued under this section or prior law, at or for The University of Texas System administration and the following component institutions of the System:

- (1) The University of Texas at Arlington;
- (2) The University of Texas at Austin;
- (3) The University of Texas at Dallas;
- (4) The University of Texas at El Paso;
- (5) The University of Texas of the Permian Basin;
- (6) The University of Texas at San Antonio;
- (7) The University of Texas at Tyler;
- (8) The University of Texas Health Science Center at Dallas;

- 1 (9) The University of Texas Medical Branch at Galveston;
2 (10) The University of Texas Health Science Center at Houston;
3 (11) The University of Texas Health Science Center at San
4 Antonio;
5 (12) The University of Texas System Cancer Center;
6 (13) The University of Texas Health Center at Tyler; and
7 (14) The University of Texas Institute of Texan Cultures at San
8 Antonio.

9 (c) Pursuant to a two-thirds vote of the membership of each
10 house of the legislature, institutions of higher education may be
11 created at a later date as a part of The University of Texas System or
12 The Texas A&M University System by general law, and, when created,
13 such an institution shall be entitled to participate in the funding
14 provided by this section for the system in which it is created. An
15 institution that is entitled to participate in dedicated funding
16 provided by Article VII, Section 17, of this constitution may not be
17 entitled to participate in the funding provided by this section.

18 (d) The proceeds of the bonds or notes issued under Subsection
19 (a) or (b) of this section may not be used for the purpose of
20 constructing, equipping, repairing, or rehabilitating buildings or
21 other permanent improvements that are to be used for student housing,
22 intercollegiate athletics, or auxiliary enterprises.

23 (e) The Available University Fund consists of the dividends,
24 interest and other income from the Permanent University Fund (less
25 administrative expenses) including the net income attributable to the
26 surface of Permanent University Fund land. Out of one-third of the
27 Available University Fund, there shall be appropriated an annual sum
28 sufficient to pay the principal and interest due on the bonds and
29 notes issued by the board of regents of The Texas A&M University
30 System under this section and prior law, and the remainder of that
31 one-third of the Available University Fund shall be appropriated to

1 the board of regents of The Texas A&M University System which shall
2 have the authority and duty in turn to appropriate an equitable
3 portion of the same for the support and maintenance of The Texas A&M
4 University System administration, Texas A&M University, and Prairie
5 View A&M University. The board of regents of The Texas A&M University
6 System, in making just and equitable appropriations to Texas A&M
7 University and Prairie View A&M University, shall exercise its
8 discretion with due regard to such criteria as the board may deem
9 appropriate from year to year, taking into account all amounts
10 appropriated from Subsection (f) of this section. Out of the other
11 two-thirds of the Available University Fund there shall be
12 appropriated an annual sum sufficient to pay the principal and
13 interest due on the bonds and notes issued by the Board of Regents of
14 The University of Texas System under this section and prior law, and
15 the remainder of such two-thirds of the Available University Fund,
16 shall be appropriated for the support and maintenance of The
17 University of Texas at Austin and The University of Texas System
18 administration.

19 (f) It is provided, however, that, for ten years beginning upon
20 the adoption of this amendment, before any other allocation is made of
21 The University of Texas System's two-thirds share of the Available
22 University Fund, remaining after payment of principal and interest on
23 its bonds and notes issued under this section and prior law, \$6
24 million per year shall be appropriated out of that share to the board
25 of regents of The Texas A&M University System for said board's use in
26 making appropriations to Prairie View A&M University. This subsection
27 expires and is deleted from this constitution ¹⁰~~ten~~ years from the
28 adoption of this amendment.

29 (g) The bonds and notes issued under this Section shall be
30 payable solely out of the Available University Fund, mature serially
31 or otherwise in not more than 30 years from their respective dates,

1 and, except for refunding bonds, be sold only through competitive
2 bidding. All of these bonds and notes are subject to approval by the
3 Attorney General and when so approved are incontestable. The
4 Permanent University Fund may be invested in these bonds and notes.

5 (h) To assure efficient use of construction funds and the
6 orderly development of physical plants to accommodate the state's real
7 need, the Legislature may provide for the approval or disapproval of
8 all new construction projects at the eligible agencies and
9 institutions entitled to participate in the funding provided by this
10 section except The University of Texas at Austin, Texas A&M University
11 in College Station, and Prairie View A&M University.

12 (i) The state systems and institutions of higher education
13 designated in this section may not receive any funds from the general
14 revenue of the state for acquiring land with or without permanent
15 improvements, for constructing or equipping buildings or other
16 permanent improvements, or for major repair and rehabilitation of
17 buildings or other permanent improvements except that:

18 (1) in the case of fire or natural disaster the legislature may
19 appropriate from the general revenue an amount sufficient to
20 replace the uninsured loss of any building or other permanent
21 improvement; and

22 (2) the legislature, by two-thirds vote of each house, may, in
23 cases of demonstrated need, which need must be clearly expressed
24 in the body of the act, appropriate general revenue funds for
25 acquiring land with or without permanent improvements, for
26 constructing or equipping buildings or other permanent
27 improvements, or for major repair and rehabilitation of buildings
28 or other permanent improvements.

29 This subsection does not apply to legislative appropriations made
30 prior to the adoption of this amendment.

1 (j) This section is self-enacting on the issuance of the
2 Governor's proclamation declaring the adoption of this amendment, and
3 the State Comptroller of Public Accounts and the State Treasurer shall
4 do all things necessary to effectuate this section. This section does
5 not impair any obligation created by the issuance of bonds or notes in
6 accordance with prior law, and all outstanding bonds and notes shall
7 be paid in full, both principal and interest, in accordance with their
8 terms, and the changes herein made in the allocation of the Available
9 University Fund shall not affect the pledges thereof made in
10 connection with such bonds or notes heretofore issued. If the
11 provisions of this section conflict with any other provision of this
12 Constitution, then the provisions of this section shall prevail,
13 notwithstanding any such conflicting provisions.

14 SECTION 4. This proposed constitutional amendment shall be
15 submitted to the voters at an election to be held on November 6, 1984.
16 The ballot shall be printed to provide for voting for or against the
17 proposition: "The constitutional amendment to create from general
18 revenue a special higher education assistance fund for construction
19 and related activities, to restructure the permanent university fund,
20 and to increase the number of institutions eligible to benefit from
21 the permanent university fund."

	HJR 19 - SENATE	HJR 19 - HOUSE	CONFERENCE COMMITTEE
Article VII, Section 17 Fund for non-PUF institutions			
Starting date of fund	(page 14 lines 7-8) September 1, 1985	(page 1 lines 7-8) September 1, 1984	(page 1, line 6) September 1, 1985
Funding source	(page 14 line 9) State Treasury	(page 1 line 9) General Revenue Fund	(page 1, line 8) State Treasury
Purposes of Fund	(page 14 lines 12-16) Acquiring land with or without permanent improvements; constructing and equipping buildings or other permanent improvements, acquisition of capital equipment, library books and materials; major repair and rehabilitation	(page 1 lines 11-16) Same as HJR 19 - Senate	(page 1, lines 11-15) Acquiring land with or without permanent improvements; constructing and equipping buildings or other permanent improvements; acquisition of capitol equipment, library books and materials; major repair and rehabilitation
Amount of Annual Appropriation	(page 14 line 10) \$125 million	(page 1 line 17) \$75 million	(page 1, line 9) \$100 million
Escalator	(page 14 lines 19-24) Legislature may adjust the appropriation upward according to the C.P.I.	(page 1 lines 19-22) Legislature may appropriate additional funds generated from increased tuition	(page 1, lines 15-22) Legislature may adjust the appropriation every 5 years by 2/3 vote
Special Provision regarding funding source	(page 18-19 (h)) Legislature by general law may dedicate funds to the creation of the Higher Education Fund. When the endowment fund caps at \$2 billion the general revenue appropriation will cease and the non-PUF institutions will receive allocations from the investment of the fund. The dedicated funds will then go into the Permanent School Fund.	(page 1-2 (b)) Any revenue generated by a federal lease of land in the outer continental shelf and allocated to the State under Section (g), Outer Continental Shelf Land Act (43 U.S.C.A. Sec. 1337 (g)) shall be deposited to the credit of a special endowment fund for use by the non-UT/non-A & M institutions.	(page 4-5, (i)) Legislature by general law may dedicate funds to the creation of the Higher Education Fund. When the endowment fund caps at \$2 billion the general revenue appropriation will cease and the non-PUF institutions will receive allocations from the investment of the fund.

(2)	HJR 19 - SENATE	HJR 19 - HOUSE	CONFERENCE COMMITTEE
Eligible Institutions	(pages 15-16 (b)) The 26 agencies and institutions listed and any others created at a later date that are outside the UT and A & M systems.	(pages 20 (c)) Same as HJR 19 - Senate	(page 103 (b) and (c)) The 26 agencies and institutions listed and any created at a later date with 2/3 vote of the Legislature.
Review of Allocation Formula	(page 16 (c)) Legislature shall review or provide for review every 5th year of each 10 year period	(page 3-4 (d)) Legislature may review or provide for review at any time, but shall review every 5th year of each 10 year period	(page 3 (d)) Legislature shall review or provide for review every 5th year of each 10 year period.
Year allocation formula begins	(page 16 line 16) 1985	(page 3 line 26) same as HJR 19 - Senate	(page 3 line 11) 1985
Bond and Note Investment authority	(page 16-17 (d)) Individual governing board	(pages 4-5 (e)) Single agency appointed by the legislature	Individual governing board unless single bonding agency is designated by Legislature.
Purposes for issuing bonds and notes	(page 17 lines 4-9) acquiring land with or without permanent improvements; constructing and equipping buildings or other permanent improvements repaying bonds and notes issued under this section or prior law	(page 4 lines 15-19) same as HJR 19 - Senate, but excludes the repaying or bonds and notes issued under prior law	(page 3 lines 28-31) acquiring land with or without permanent improvements; constructing and equipping buildings or other permanent improvements repaying bonds and notes issued under this section or prior law.
Limit on bonds and notes	(page 17 line 9) limited to 50% of appropriated funds for payment of principal and interest on bonds and notes	(page 4 line 21) limited to 80% of appropriated funds for payment of principal and interest on bonds and notes	(page 4 line 1) limited to 50% of appropriated funds for payment of principal and interest on bonds and notes
Location of proceeds of bonds and notes	(page 17 lines 13-14) Local depository selected by the Governing Board	N/A	(page 4 line 4) local depository selected by the governing board

(3)	HJR 19 - SENATE	HJR 19 - HOUSE	CONFERENCE COMMITTEE
Bond maturity limit	(page 17 line 17) Ten years	(page 5 line 1) Same as HJR 19 - Senate	(page 4 line 8) Ten years
Restrictions on appropriated funds	(page 17-18 (e) and page 25 amendment #3) without legislative approval, appropriated funds cannot be used for: constructing, equipping, repairing, or rehabilitating buildings or other permanent improvements to be used for: students, presidential, chancellor, faculty or staff housing, inter-collegiate athletics, auxiliary enterprises	(page 5 (f)) same as HJR 19 - Senate	(page 4 (f)) appropriated funds may not be used for constructing, equipping, repairing or rehabilitating buildings or other permanent improvements to student housing, inter-collegiate athletics or auxiliary enterprises.
Restrictions on receiving General Revenue Funds	N/A	(page 5 (g)) institutions may not receive general revenue funds outside those appropriated by this fund for: acquiring land with or without permanent improvement, constructing, equipping buildings or other permanent improvements except in the case of fire or natural disaster	(page 5-6 (j)) institutions may not receive general revenue funds outside those appropriated by this fund for: acquiring land, constructing, equipping buildings except in the case of fire or natural disaster, or in case of demonstrated need the Legislature by 2/3 vote may appropriate additional funds.
Distribution of fund	(page 18 (f)) Comptroller	Page 5-6 (h)) Comptroller distributes funds to institutions except those needed for payment on bonds and notes	(page 4 (g)) Comptroller distributes funds to institutions except those needed for payment on bonds and notes.
Other provision relating to fund use	N/A	(page 6 (j)) legislature may authorize that bonds proceeds go to utility costs associated with buildings constructed after this act	N/A
Project oversight provision	(page 18 (g)) legislature may provide for role and scope review by a designated agency of all new construction projects. The agency may suspend the project until the next legislative session, if it does not meet requirements	(page 6 (i)) legislature or designated agency review over new construction projects; legislature approval for land acquisition and constructing and equipping buildings for branch campuses or educational centers that are not degree granting institutions.	(page 4 (h), page 6 (k)) The Legislature may provide for approval or disapproval of new construction projects; legislature approval for land acquisition and constructing and equipping buildings for branch campuses or educational centers that are not degree granting institutions.

(4)	HJR 19 - SENATE	HJR 19 - HOUSE	CONFERENCE COMMITTEE
Article VII Section 18 - PUF institutions			
Bonding limit	(page 19 line 25, page 20 line 26) A & M - 10% of PUF value U.T. - 20% of PUF value	(page 7 line 14, page 8 line 15) same as HJR 19 - Senate	(page 7 line 13, page 8 line 10) A & M - 10% of PUF value U.T. - 20% of PUF value
Purposes of bonds	(page 20 lines 3-7, page 21 lines 5-9) acquiring land with or without permanent improvements; constructing and equipping buildings or other permanent improvements; major repair and rehabilitation of existing buildings acquiring capital equipment; library books and materials; refunding bonds and notes issued under this section or prior law	(page 7 lines 19-23, page 8 lines 21-26) same as HJR 19 - Senate	(page 7-8 (a) and (b)) acquiring land with or without permanent improvements; constructing and equipping buildings or other permanent improvements; major repair and rehabilitation of existing buildings acquiring capital equipment; library books and materials; refunding bonds and notes issued under this section or prior law.
Eligible institutions	(page 20 and page 21 and page 25 amendment #4) Those institutions listed and any component systems created at a later date.	(page 8 and page 9) Those institutions listed.	(page 7-9 (a) (b) (c)) Those institutions listed and any component institutions created at a later date through 2/3 vote of the Legislature.
Project oversight provision	(page 22 (c) and page 25 amendment #3) legislature or designated agency approval for bond monies used for: constructing, equipping, repairing, or rehabilitating buildings or other permanent improvements that are used for student housing, chancellor housing, faculty housing, inter-collegiate athletics or auxiliary enterprises	(page 9 (c)) legislature or designated agency approval for bond monies used for: constructing equipping, repairing or rehabilitating buildings or other permanent improvements that are used for student housing, inter-collegiate athletics or auxiliary enterprise	(page 9 (d)) appropriated funds may not be used for constructing, equipping, repairing or rehabilitating improvements to student housing, intercollegiate athletics or auxillary enterprises.
Allocation to Prairie View from UT	(page 23 (e)) \$6 million beginning September 1, 1985	(page 10-11 (e)) \$6 million beginning September 1, 1983	(page 10 (f)) \$6 million beginning with the adoption of this amendment
Bond Maturity limit	(page 23 line 22) 30 years	(page 11 line 11) same as HJR 19 - Senate	(page 10 line 31) 30 years

(5)	HJR 19 - SENATE	HJR 19 - HOUSE	CONFERENCE COMMITTEE
Restrictions on receiving general revenue funds	N/A	(page 11-12 (g)) UT and A & M cannot receive general revenue funds for: acquiring land with or without permanent improvement; constructing or equipping buildings or other permanent improvements; major repair and rehabilitation except in case of fire or natural disaster	(page 11 (i)) UT and A & M may not receive general revenue funds for: acquiring land; constructing or equipping buildings; major repair and rehabilitation except in case of fire or natural disaster or in cases or demonstrated need, the legislature by 2/3 vote may appropriate additional funds.
Project oversight provision	(page 24 (g)) Legislature may provide for role and scope review by an agency for all new construction except for those projects at UT-Austin, A&M College Station and Prairie View A & M. The agency may suspend the project until the next legislative session, if it does not meet the requirements.	(page 12 (h)) Legislature or designated agency review over construction projects; legislative approval for land acquisition and constructing and equipping buildings for branch campuses or educational centers that are not degree granting institutions.	(page 11 (h)) Legislature may provide for approval or disapproval or all new construction projects except those at UT-Austin, A & M - College Station and Prairie View A & M
Other provisions relating to use of bond monies	N/A	(page 12 (i) and page 13 section 4) legislature may authorize UT and A & M boards to expend the proceeds of bonds issued for utility costs for buildings constructed after the effective date of this act. Nothing in the act can prevent the legislature from terminating or in any way modifying an agency or institution named in this article	N/A
Ballot	(page 25 lines 5-7) "The constitutional amendment to provide funds for support of higher education and to restructure the permanent university fund."	(page 13 lines 15-20) "The constitutional amendment appropriating \$75 million a year of general revenue to college construction and related activities, allowing for the issuance of bonds based on that appropriation, and increasing the bonding authority under the permanent university fund and the number of institutions eligible to benefit from those bonds."	(page 12 lines 17-21) "The constitutional amendment to create from general revenue a special higher education assistance fund for construction and related activities, to restructure the Permanent University Fund, and to increase the number of institutions eligible to benefit from the Permanent University Fund."
Election date	(page 25 line 3) November 6, 1984	(page 13 line 13) April 30, 1983	(page 12 line 15) November 6, 1984

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

May 23, 1983

Honorable Wilhelmina Delco, Chair
Committee on Higher Education
House of Representatives
Austin, Texas

In Re: Conference Committee Report,
House Joint Resolution No. 19
By: Delco

Representative Delco:

In response to your request for a Fiscal Note on the Conference Committee Report, House Joint Resolution No. 19 (proposing a constitutional amendment to provide funds for the support of higher education and to restructure the permanent university fund) this office has determined the following:

Section 1 of the resolution would make an annual appropriation from the General Revenue Fund for distribution to agencies and institutions of higher education that do not share in the earnings of the Permanent University Fund (PUF). The appropriation for fiscal 1986 is \$100 million. Once every five years the Legislature may adjust by two-thirds vote the amount of the constitutional appropriation for the following five years but may not adjust the amount in such a way as to impair any obligation created by the issuance of bonds or notes in accordance with Section 1. The funds would be used for acquiring land; constructing and equipping buildings and other permanent improvements; major repair and rehabilitation of existing buildings and improvements; acquisition of capital equipment, library books and materials.

The appropriations made in Section 1 would be allocated to the governing boards of eligible institutions by a formula to be determined by the Legislature or an agency designated by the Legislature. The formula would be reviewed and adjusted once every five years, but no adjustment that could prevent the payment of outstanding bonds or notes, including principal and interest could be made. Unless a single bonding agency is created, the governing boards could issue bonds and notes for the purpose of refunding other bonds and notes and for the purposes cited above, excluding acquisition of capital equipment, library books, and library materials. The boards could pledge up to 50% of their allocation of the annual appropriation to pay principal and interest. The funds made available by Section 1 could not be used for auxiliary purposes and proceeds from bonds or notes issued could be retained in local accounts outside the State Treasury. The resolution would also authorize the Legislature to designate a single agency to issue bonds or notes authorized by Section 1 and to transfer to that agency the authority to collect and pledge monies to the payment of bonds and notes subject to the restrictions specified in Section 1.

To assure efficient use of construction funds and the orderly development of physical plants, the Legislature may provide for the approval or disapproval of all new construction projects undertaken by the institutions listed with funds derived through Section 1. The Legislature could also, through general law, dedicate portions of the state's revenues to the creation of a dedicated "Higher Education Fund" (HEF) for the purposes listed in subsection (a) of Section 1. In the fiscal year beginning after the fund reaches \$2 billion, the dedication of General Revenue Funds provided in subsection (a) would cease. At the beginning of the fiscal year after the fund reaches \$2 billion, and each following year, 10% of the interest dividends, and other income accruing from the investments of HEF during the previous fiscal year would become part of the principal of the fund, and the remaining 90% would be appropriated to pay the principal and interest on bonds or notes issued under Section 1 and for use as provided in subsection (a). The principal of HEF could never be expended, would be invested in a fashion similar to the PUF, and the interest and other income earned from the fund would be expended for the same purposes already listed. Since the source of the revenue dedicated to build the HEF is not stipulated, the growth of this fund cannot be estimated accurately for the purposes of this fiscal note.

6

The annual appropriations, along with other provisions of Section 1, are self-enacting. Therefore, expenditure of some of the annual allocation and bond proceeds would not require legislative approval or appropriation, and the Legislature would have no authority to provide direction as to the use of some of the funds.

The probable cost of implementing the provisions of Section 1 during each of the first five years following passage is estimated as follows:

<u>Fiscal Year</u>	<u>Out of the General Revenue Fund</u>
1984	-0-
1985	-0-
1986	\$100,000,000
1987	100,000,000
1988	100,000,000

Section 3 of the resolution increases the bonding capacity of PUF from 20 percent to 30 percent of the cost value of PUF exclusive of real estate. Funds from these bonds and notes could be used at all Texas A&M University (TAMU) and The University of Texas (UT) component institutions for the same purposes described in Section 1. The funds made available by Section 3 could not be used for auxiliary purposes.

Section 3 of the resolution could result in a savings of general revenue by assuming use of PUF proceeds for projects at institutions previously not eligible for PUF proceeds. For comparative purposes, general revenue appropriations for the 1982-83 biennium for projects and acquisitions that would be covered by the provisions of this resolution at TAMU and UT components total \$18,853,169.

Additional square feet constructed by the increased bonding capacity could create a cost to the General Revenue Fund for utilities, custodial services, and building maintenance. The 1983 appropriated amount for those cost elements is \$3.74 per square foot per year. Using that rate, and assuming the additional square footage shown below, there would be additional costs to the General Revenue Fund as indicated.

<u>Fiscal Year</u>	<u>UT's Maximum Additional Bonds at 20%</u>	<u>TAMU's Maximum Additional Bonds at 10%</u>	<u>Maximum Additional Square Footage at \$100/SF</u>	<u>Maximum Annual Additional Cost Out of the General Revenue Fund for Maintenance</u>
1984	\$190,000,000	\$95,000,000	2,661,468	\$ 9,953,890
1985	68,000,000	34,000,000	831,468	13,063,581
1986	75,000,000	37,400,000	935,468	16,562,231
1987	79,000,000	39,400,000	995,468	20,285,281
1988	85,000,000	42,400,000	1,085,468	24,344,932

At non-PUF components, the maximum impact on the General Revenue Fund, using the \$3.74 cost described above, could be as follows:

<u>Fiscal Year</u>	<u>Draw From the General Revenue Fund</u>	<u>Maximum Additional Square Footage at \$100/SF</u>	<u>Maximum Additional Cost Out of the General Revenue Fund for Maintenance</u>
1984	-0-	-0-	-0-
1985	-0-	-0-	-0-
1986	\$100,000,000	\$437,463	\$1,636,112
1987	100,000,000	437,463	3,272,223
1988	100,000,000	437,463	4,908,335

All PUF and HEF institutions would remain eligible to receive General Revenue Funds for capital equipment, library books, and materials. No PUF or HEF institution could receive General Revenue Funds for land acquisition, new construction, or major repairs and rehabilitation except in case of fire or natural disaster the Legislature may provide sufficient General Revenue to replace uninsured losses, or if the Legislature by two-thirds vote appropriates General Revenue for clearly demonstrated need. To assure efficient use of construction funds and the orderly development of physical plants, the Legislature may provide for approval or disapproval of all new construction projects undertaken by the institutions listed in Section 3 except The University of Texas at Austin, Texas A&M University, and Prairie View A&M University.

Section 3 also would provide for an annual allocation of \$6 million for ten years to be transferred from the UT System's share of the AUF to the TAMU System for use by PVAMU.

Similar annual fiscal implications would continue as long as the provisions of the amendment are in effect.

The proposed amendment would be submitted for voter approval on November 6, 1984.

The cost of publication of the resolution is estimated at \$47,750.

The fiscal implication to units of local government would depend on the taxable value of land that may be acquired and thereby become exempt from local taxes.


Jim Oliver
Director

Source: Comptroller of Public Accounts; Coordinating Board;
Attorney General's Office; The University of Texas System;
Secretary of State; LBB Staff: JO, JH, WRR, DM

CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

5-19-83

Date

Honorable William P. Hobby
President of the Senate

Honorable Gibson D. "Gib" Lewis
Speaker of the House of Representatives

Sir:

We, your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on H. J. R. 19 have met and had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Senator Carl Parker

Senator Bob Vale

Senator Grant Jones

Senator Kent Caperton

Senator Bob McFarland
On the part of the Senate

Rep. Wilhelmina Delco

Rep. Bill Messer

Rep. Hugo Berlanga

Rep. Lee Jackson

Rep. John Gavin
On the part of the House

ADOPTED

29 years 2 days
MAY 25 1983

Betty King
Secretary of the Senate

Paper clip one of these forms to each of the following:
the original and two copies to the house of origin
three copies to the other house

MAY 24 1983

Read and filed with Secretary of Senate

CONFERENCE COMMITTEE REPORT FORM

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5-19-83

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Bob McFarland
On the part of the Senate

Wilhelmina Delco
Rep. Wilhelmina Delco

Bill Messer
Rep. Bill Messer

Hugo Berlanga
Rep. Hugo Berlanga

Lee Jackson
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John Gavin
On the part of the House

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CONFERENCE COMMITTEE REPORT

3rd Printing

H.J.R. No. 19

CONFERENCE COMMITTEE REPORT

A JOINT RESOLUTION

1 proposing a constitutional amendment to provide funds for the support
2 of higher education and to restructure the permanent university fund.

3 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

4 SECTION 1. That Article VII of the Texas Constitution be amended
5 by adding Section 17 to read as follows:

6 Section 17. (a) In the fiscal year beginning September 1, 1985,
7 and each fiscal year thereafter, there is hereby appropriated out of
8 the first money coming into the state treasury not otherwise
9 appropriated by the Constitution \$100 million to be used by eligible
10 agencies and institutions of higher education for the purpose of
11 acquiring land either with or without permanent improvements, con-
12 structing and equipping buildings or other permanent improvements,
13 major repair or rehabilitation of buildings or other permanent
14 improvements, and acquisition of capital equipment, library books and
15 library materials. During the regular session of the Legislature that
16 is nearest, but preceding, the beginning of each fifth fiscal year
17 dating from September 1, 1985, the Legislature may by two-thirds vote
18 of the membership of each House adjust the amount of the
19 constitutional appropriation for the ensuing five years but may not
20 adjust the appropriation in such a way as to impair any obligation
21 created by the issuance of bonds or notes in accordance with this
22 Section.

23 (b) The funds appropriated under Subsection (a) of this section
24 shall be for the use of the following eligible agencies and
25 institutions of higher education (even though their names may be
26 changed):

27 (1) East Texas State University including East Texas State

- 1 University at Texarkana;
- 2 (2) Lamar University including Lamar University at Orange and
- 3 Lamar University at Port Arthur;
- 4 (3) Midwestern State University;
- 5 (4) North Texas State University;
- 6 (5) Pan American University including Pan American University
- 7 at Brownsville;
- 8 (6) Stephen F. Austin State University;
- 9 (7) Texas College of Osteopathic Medicine;
- 10 (8) Texas State University System Administration and the
- 11 following component institutions:
- 12 (9) Angelo State University;
- 13 (10) Sam Houston State University;
- 14 (11) Southwest Texas State University;
- 15 (12) Sul Ross State University including Uvalde Study
- 16 Center;
- 17 (13) Texas Southern University;
- 18 (14) Texas Tech University;
- 19 (15) Texas Tech University Health Sciences Center;
- 20 (16) Texas Woman's University;
- 21 (17) University of Houston System Administration and the
- 22 following component institutions:
- 23 (18) University of Houston - University Park;
- 24 (19) University of Houston - Victoria;
- 25 (20) University of Houston - Clear Lake;
- 26 (21) University of Houston - Downtown;
- 27 (22) University System of South Texas System Administration and
- 28 the following component institutions:
- 29 (23) Corpus Christi State University;
- 30 (24) Laredo State University;

1 (25) Texas A&I University; and

2 (26) West Texas State University.

3 (c) Pursuant to a two-thirds vote of the membership of each
4 house of the legislature, institutions of higher education may be
5 created at a later date by general law, and, when created, such an
6 institution shall be entitled to participate in the funding provided
7 by this section if it is not created as a part of The University of
8 Texas System or The Texas A&M University System. An institution that
9 is entitled to participate in dedicated funding provided by Article
10 VII, Section 18 of this constitution may not be entitled to
11 participate in the funding provided by this section.

12 (d) In the year 1985 and every ten years thereafter, the
13 legislature or an agency designated by the legislature no later than
14 August 31 of such year shall allocate by equitable formula the annual
15 appropriations made under Subsection (a) of this section to the
16 governing boards of eligible agencies and institutions of higher
17 education. The legislature shall review, or provide for a review, of
18 the allocation formula at the end of the fifth year of each ten-year
19 allocation period. At that time adjustments may be made in the
20 allocation formula, but no adjustment that will prevent the payment of
21 outstanding bonds and notes, both principal and interest, may be made.

22 (e) Each governing board authorized to participate in the
23 distribution of monies under this section is authorized to expend all
24 monies distributed to it for any of the purposes enumerated in
25 Subsection (a). In addition, unless a single bonding agency is
26 designated as hereinafter provided, such governing board may issue
27 bonds and notes for the purposes of refunding bonds or notes issued
28 under this section or prior law, acquiring land either with or without
29 permanent improvements, constructing and equipping buildings or other
30 permanent improvements, and for major repair and rehabilitation of
31 buildings or other permanent improvements, and may pledge up to fifty

1 percent (50%) of the monies allocated to such governing board pursuant
2 to this section to secure the payment of the principal and interest of
3 such bonds or notes. Proceeds from the issuance of bonds or notes
4 under this subsection shall be maintained in a local depository
5 selected by the governing board issuing the bonds or notes. The bonds
6 and notes issued under this subsection shall be payable solely out of
7 the monies appropriated by this section and shall mature serially or
8 otherwise in not more than ten years from their respective dates. All
9 bonds issued under this section shall be sold only through competitive
10 bidding and are subject to approval by the Attorney General. Bonds
11 approved by the Attorney General shall be incontestable. The
12 Permanent University Fund may be invested in the bonds and notes
13 issued under this section. In lieu of the authority granted to each
14 governing board herein, the legislature by general law may designate a
15 single agency to issue bonds and notes authorized under this section
16 and transfer to that agency the authority to collect and pledge monies
17 to the payment of such bonds and notes for the purposes, to the
18 extent, and subject to the restrictions of this section. Provided,
19 that such agency shall be authorized to issue such bonds and notes for
20 the benefit of an eligible institution and pledge monies collected
21 hereunder only as directed by the governing board of each eligible
22 institution.

23 (f) The funds appropriated by this section may not be used for
24 the purpose of constructing, equipping, repairing, or rehabilitating
25 buildings or other permanent improvements that are to be used for
26 student housing, intercollegiate athletics, or auxiliary enterprises.

27 (g) Except for that portion of the allocated funds that may be
28 required to be transferred to a single bonding agency, if one is
29 created, the Comptroller of Public Accounts shall make annual
30 transfers of the funds allocated pursuant to Subsection (d) directly
31 to the governing boards of the eligible institutions.

1 (h) To assure efficient use of construction funds and the
2 orderly development of physical plants to accommodate the state's real
3 need, the Legislature may provide for the approval or disapproval of
4 all new construction projects at the eligible agencies and
5 institutions entitled to participate in the funding provided by this
6 section.

7 (i) The legislature by general law may dedicate portions of the
8 state's revenues to the creation of a dedicated fund ("the Higher
9 Education Fund") for the purposes expressed in subsection (a) of this
10 section. The legislature shall provide for administration of the
11 fund, which shall be invested in the manner provided for investment of
12 the permanent university fund. The income from the investment of the
13 Higher Education Fund shall be credited to the Higher Education Fund
14 until such time as the fund totals \$2 billion. The principal of the
15 Higher Education Fund shall never be expended. At the beginning of
16 the fiscal year after the fund reaches \$2 billion, as certified by the
17 Comptroller of Public Accounts, the dedication of general revenue
18 funds provided for in subsection (a) of this section shall cease. At
19 the beginning of the fiscal year after the fund reaches \$2 billion,
20 and each year thereafter, ten percent (10%) of the interest, dividends,
21 and other income accruing from the investments of the Higher Education
22 Fund during the previous fiscal year shall be deposited and become
23 part of the principal of the fund, and out of the remainder of the
24 annual income from the investment of the principal of the fund there
25 shall be appropriated an annual sum sufficient to pay the principal
26 and interest due on the bonds and notes issued under this section and
27 the balance of the income shall be allocated, distributed, and expended
28 as provided for the appropriations made under subsection (a).

29 (j) The state systems and institutions of higher education
30 designated in this section may not receive any additional funds from
31 the general revenue of the state for acquiring land with or without

1 permanent improvements, for constructing or equipping buildings or
2 other permanent improvements, or for major repair and rehabilitation
3 of buildings or other permanent improvements except that:

4 (1) in the case of fire or natural disaster the legislature may
5 appropriate from the general revenue an amount sufficient to
6 replace the uninsured loss of any building or other permanent
7 improvement; and

8 (2) the legislature, by two-thirds vote of each house, may, in
9 cases of demonstrated need, which need must be clearly expressed
10 in the body of the act, appropriate additional general revenue
11 funds for acquiring land with or without permanent improvements,
12 for constructing or equipping buildings or other permanent
13 improvements, or for major repair and rehabilitation of buildings
14 or other permanent improvements.

15 This subsection does not apply to Legislative appropriations made
16 prior to the adoption of this amendment.

17 (k) Without the prior approval of the legislature,
18 appropriations under this section may not be expended for acquiring
19 land with or without permanent improvements, or for constructing and
20 equipping buildings or other permanent improvements, for a branch
21 campus or educational center that is not a separate degree-granting
22 institution created by general law.

23 (l) This section is self-enacting upon the issuance of the
24 Governor's proclamation declaring the adoption of the amendment, and
25 the State Comptroller of Public Accounts and the State Treasurer shall
26 do all things necessary to effectuate this section. This section does
27 not impair any obligation created by the issuance of any bonds and
28 notes in accordance with prior law, and all outstanding bonds and
29 notes shall be paid in full, both principal and interest, in
30 accordance with their terms. If the provisions of this section
31 conflict with any other provisions of this Constitution, then the

1 provisions of this section shall prevail, notwithstanding all such
2 conflicting provisions.

3 SECTION 2. That Article VII, Section 14 of the Texas
4 Constitution be revised to read as follows:

5 Sec. 14. Prairie View A&M University in Waller County is an
6 institution of the first class under the direction of the same
7 governing board as Texas A&M University referred to in Article VII,
8 Section 13 of this constitution as the Agricultural and Mechanical
9 College of Texas.

10 SECTION 3. That Article VII, Section 18 of the Texas
11 Constitution be revised to read as follows:

12 Sec. 18. (a) The board of regents of The Texas A&M University
13 System may issue bonds and notes not to exceed a total amount of ten
14 percent (10%) of the cost value of the investments and other assets of
15 the Permanent University Fund (exclusive of real estate) at the time
16 of the issuance thereof, and may pledge all or any part of its one-third
17 interest in the Available University Fund to secure the payment of the
18 principal and interest of those bonds and notes, for the purpose of
19 acquiring land either with or without permanent improvements,
20 constructing and equipping buildings or other permanent improvements,
21 major repair and rehabilitation of buildings and other permanent
22 improvements, acquiring capital equipment and library books and
23 library materials, and refunding bonds or notes issued under this
24 Section or prior law, at or for The Texas A&M University System
25 administration and the following component institutions of the system:

- 26 (1) Texas A&M University, including its medical college which
27 the legislature may authorize as a separate medical
28 institution;
- 29 (2) Prairie View A&M University, including its nursing school in
30 Houston;

- (3) Tarleton State University;
- (4) Texas A&M University at Galveston;
- (5) Texas Forest Service;
- (6) Texas Agricultural Experiment Stations;
- (7) Texas Agricultural Extension Service;
- (8) Texas Engineering Experiment Stations;
- (9) Texas Transportation Institute; and
- (10) Texas Engineering Extension Service.

(b) The Board of Regents of The University of Texas System may issue bonds and notes not to exceed a total amount of twenty percent (20%) of the cost value of investments and other assets of the Permanent University Fund (exclusive of real estate) at the time of issuance thereof, and may pledge all or any part of its two-thirds interest in the Available University Fund to secure the payment of the principal and interest of those bonds and notes, for the purpose of acquiring land either with or without permanent improvements, constructing and equipping buildings or other permanent improvements, major repair and rehabilitation of buildings and other permanent improvements, acquiring capital equipment and library books and library materials, and refunding bonds or notes issued under this section or prior law, at or for The University of Texas System administration and the following component institutions of the System:

- (1) The University of Texas at Arlington;
- (2) The University of Texas at Austin;
- (3) The University of Texas at Dallas;
- (4) The University of Texas at El Paso;
- (5) The University of Texas of the Permian Basin;
- (6) The University of Texas at San Antonio;
- (7) The University of Texas at Tyler;
- (8) The University of Texas Health Science Center at Dallas;

- 1 (9) The University of Texas Medical Branch at Galveston;
2 (10) The University of Texas Health Science Center at Houston;
3 (11) The University of Texas Health Science Center at San
4 Antonio;
5 (12) The University of Texas System Cancer Center;
6 (13) The University of Texas Health Center at Tyler; and
7 (14) The University of Texas Institute of Texan Cultures at San
8 Antonio.

9 (c) Pursuant to a two-thirds vote of the membership of each
10 house of the legislature, institutions of higher education may be
11 created at a later date as a part of The University of Texas System or
12 The Texas A&M University System by general law, and, when created,
13 such an institution shall be entitled to participate in the funding
14 provided by this section for the system in which it is created. An
15 institution that is entitled to participate in dedicated funding
16 provided by Article VII, Section 17 of this constitution may not be
17 entitled to participate in the funding provided by this section.

18 (d) The proceeds of the bonds or notes issued under Subsection
19 (a) or (b) of this section may not be used for the purpose of
20 constructing, equipping, repairing, or rehabilitating buildings or
21 other permanent improvements that are to be used for student housing,
22 intercollegiate athletics, or auxiliary enterprises.

23 (e) The Available University Fund consists of the dividends,
24 interest and other income from the Permanent University Fund (less
25 administrative expenses) including the net income attributable to the
26 surface of Permanent University Fund land. Out of one-third of the
27 Available University Fund, there shall be appropriated an annual sum
28 sufficient to pay the principal and interest due on the bonds and
29 notes issued by the board of regents of The Texas A&M University
30 System under this section and prior law, and the remainder of that
31 one-third of the Available University Fund shall be appropriated to

1 the board of regents of The Texas A&M University System which shall
2 have the authority and duty in turn to appropriate an equitable
3 portion of the same for the support and maintenance of The Texas A&M
4 University System administration, Texas A&M University, and Prairie
5 View A&M University. The board of regents of The Texas A&M University
6 System, in making just and equitable appropriations to Texas A&M
7 University and Prairie View A&M University, shall exercise its
8 discretion with due regard to such criteria as the board may deem
9 appropriate from year to year, taking into account all amounts
10 appropriated from Subsection (f) of this section. Out of the other
11 two-thirds of the Available University Fund there shall be
12 appropriated an annual sum sufficient to pay the principal and
13 interest due on the bonds and notes issued by the Board of Regents of
14 The University of Texas System under this section and prior law, and
15 the remainder of such two-thirds of the Available University Fund,
16 shall be appropriated for the support and maintenance of The
17 University of Texas at Austin and The University of Texas System
18 administration.

19 (f) It is provided, however, that, for ten years beginning upon
20 the adoption of this amendment, before any other allocation is made of
21 The University of Texas System's two-thirds share of the Available
22 University Fund, remaining after payment of principal and interest on
23 its bonds and notes issued under this section and prior law, \$6
24 million per year shall be appropriated out of that share to the board
25 of regents of The Texas A&M University System for said board's use in
26 making appropriations to Prairie View A&M University. This subsection
27 expires and is deleted from this constitution ten years from the
28 adoption of this amendment.

29 (g) The bonds and notes issued under this Section shall be
30 payable solely out of the Available University Fund, mature serially
31 or otherwise in not more than 30 years from their respective dates,

1 and, except for refunding bonds, be sold only through competitive
2 bidding. All of these bonds and notes are subject to approval by the
3 Attorney General and when so approved are incontestable. The
4 Permanent University Fund may be invested in these bonds and notes.

5 (h) To assure efficient use of construction funds and the
6 orderly development of physical plants to accommodate the state's real
7 need, the Legislature may provide for the approval or disapproval of
8 all new construction projects at the eligible agencies and
9 institutions entitled to participate in the funding provided by this
10 section except The University of Texas at Austin, Texas A&M University
11 in College Station, and Prairie View A&M University.

12 (i) The state systems and institutions of higher education
13 designated in this section may not receive any funds from the general
14 revenue of the state for acquiring land with or without permanent
15 improvements, for constructing or equipping buildings or other
16 permanent improvements, or for major repair and rehabilitation of
17 buildings or other permanent improvements except that:

18 (1) in the case of fire or natural disaster the legislature may
19 appropriate from the general revenue an amount sufficient to
20 replace the uninsured loss of any building or other permanent
21 improvement; and

22 (2) the legislature, by two-thirds vote of each house, may, in
23 cases of demonstrated need, which need must be clearly expressed
24 in the body of the act, appropriate general revenue funds for
25 acquiring land with or without permanent improvements, for
26 constructing or equipping buildings or other permanent
27 improvements, or for major repair and rehabilitation of buildings
28 or other permanent improvements.

29 This subsection does not apply to legislative appropriations made
30 prior to the adoption of this amendment.

1 (j) This section is self-enacting on the issuance of the
2 Governor's proclamation declaring the adoption of this amendment, and
3 the State Comptroller of Public Accounts and the State Treasurer shall
4 do all things necessary to effectuate this section. This section does
5 not impair any obligation created by the issuance of bonds or notes in
6 accordance with prior law, and all outstanding bonds and notes shall
7 be paid in full, both principal and interest, in accordance with their
8 terms, and the changes herein made in the allocation of the Available
9 University Fund shall not affect the pledges thereof made in
10 connection with such bonds or notes heretofore issued. If the
11 provisions of this section conflict with any other provision of this
12 Constitution, then the provisions of this section shall prevail,
13 notwithstanding any such conflicting provisions.

14 SECTION 4. This proposed constitutional amendment shall be
15 submitted to the voters at an election to be held on November 6, 1984.
16 The ballot shall be printed to provide for voting for or against the
17 proposition: "The constitutional amendment to create from general
18 revenue a special higher education assistance fund for construction
19 and related activities, to restructure the permanent university fund,
20 and to increase the number of institutions eligible to benefit from
21 the permanent university fund."

	HJR 19 - SENATE	HJR 19 - HOUSE	CONFERENCE COMMITTEE
Article VII, Section 17 Fund for non-PUF institutions			
Starting date of fund	(page 14 lines 7-8) September 1, 1985	(page 1 lines 7-8) September 1, 1984	(page 1, line 6) September 1, 1985
Funding source	(page 14 line 9) State Treasury	(page 1 line 9) General Revenue Fund	(page 1, line 8) State Treasury
Purposes of Fund	(page 14 lines 12-16) Acquiring land with or without permanent improvements; constructing and equipping buildings or other permanent improvements, acquisition of capital equipment, library books and materials; major repair and rehabilitation	(page 1 lines 11-16) Same as HJR 19 - Senate	(page 1, lines 11-15) Acquiring land with or without permanent improvements; constructing and equipping buildings or other permanent improvements; acquisition of capitol equipment, library books and materials; major repair and rehabilitation
Amount of Annual Appropriation	(page 14 line 10) \$125 million	(page 1 line 17) \$75 million	(page 1, line 9) \$100 million
Escalator	(page 14 lines 19-24) Legislature may adjust the appropriation upward according to the C.P.I.	(page 1 lines 19-22) Legislature may appropriate additional funds generated from increased tuition	(page 1, lines 15-22) Legislature may adjust the appropriation every 5 years by 2/3 vote
Special Provision regarding funding source	(page 18-19 (h)) Legislature by general law may dedicate funds to the creation of the Higher Education Fund. When the endowment fund caps at \$2 billion the general revenue appropriation will cease and the non-PUF institutions will receive allocations from the investment of the fund. The dedicated funds will then go into the Permanent School Fund.	(page 1-2 (b)) Any revenue generated by a federal lease of land in the outer continental shelf and allocated to the State under Section (g), Outer Continental Shelf Land Act (43 U.S.C.A. Sec. 1337 (g)) shall be deposited to the credit of a special endowment fund for use by the non-UT/non-A & M institutions.	(page 4-5, (i)) Legislature by general law may dedicate funds to the creation of the Higher Education Fund. When the endowment fund caps at \$2 billion the general revenue appropriation will cease and the non-PUF institutions will receive allocations from the investment of the fund.

(2)	HJR 19 - SENATE	HJR 19 - HOUSE	CONFERENCE COMMITTEE
Eligible Institutions	(pages 15-16 (b)) The 26 agencies and institutions listed and any others created at a later date that are outside the UT and A & M systems.	(pages 20 (c)) Same as HJR 19 - Senate	(page 103 (b) and (c)) The 26 agencies and institutions listed and any created at a later date with 2/3 vote of the Legislature.
Review of Allocation Formula	(page 16 (c)) Legislature shall review or provide for review every 5th year of each 10 year period	(page 3-4 (d)) Legislature may review or provide for review at any time, but shall review every 5th year of each 10 year period	(page 3 (d)) Legislature shall review or provide for review every 5th year of each 10 year period.
Year allocation formula begins	(page 16 line 16) 1985	(page 3 line 26) same as HJR 19 - Senate	(page 3 line 11) 1985
Bond and Note Investment authority	(page 16-17 (d)) Individual governing board	(pages 4-5 (e)) Single agency appointed by the legislature	Individual governing board unless single bonding agency is designated by Legislature.
Purposes for issuing bonds and notes	(page 17 lines 4-9) acquiring land with or without permanent improvements; constructing and equipping buildings or other permanent improvements repaying bonds and notes issued under this section or prior law	(page 4 lines 15-19) same as HJR 19 - Senate, but excludes the repaying or bonds and notes issued under prior law	(page 3 lines 28-31) acquiring land with or without permanent improvements; constructing and equipping buildings or other permanent improvements repaying bonds and notes issued under this section or prior law.
Limit on bonds and notes	(page 17 line 9) limited to 50% of appropriated funds for payment of principal and interest on bonds and notes	(page 4 line 21) limited to 80% of appropriated funds for payment of principal and interest on bonds and notes	(page 4 line 1) limited to 50% of appropriated funds for payment of principal and interest on bonds and notes
Location of proceeds of bonds and notes	(page 17 lines 13-14) Local depository selected by the Governing Board	N/A	(page 4 line 4) Local depository selected by the governing board

(3)	HJR 19 - SENATE	HJR 19 - HOUSE	CONFERENCE COMMITTEE
Bond maturity limit	(page 17 line 17) Ten years	(page 5 line 1) Same as HJR 19 - Senate	(page 4 line 8) Ten years
Restrictions on appropriated funds	(page 17-18 (e) and page 25 amendment #3) without legislative approval, appropriated funds cannot be used for: constructing, equipping, repairing, or rehabilitating buildings or other permanent improvements to be used for: students, presidential, chancellor, faculty or staff housing, inter-collegiate athletics, auxiliary enterprises	(page 5 (f)) same as HJR 19 - Senate	(page 4 (f)) appropriated funds may not be used for constructing, equipping, repairing or rehabilitating buildings or other permanent improvements to student housing, inter-collegiate athletics or auxiliary enterprises.
Restrictions on receiving General Revenue Funds	N/A	(page 5 (g)) institutions may not receive general revenue funds outside those appropriated by this fund for: acquiring land with or without permanent improvement, constructing, equipping buildings or other permanent improvements except in the case of fire or natural disaster	(page 5-6 (j)) institutions may not receive general revenue funds outside those appropriated by this fund for: acquiring land, constructing, equipping buildings except in the case of fire or natural disaster, or in case of demonstrated need the Legislature by 2/3 vote may appropriate additional funds.
Distribution of fund	(page 18 (f)) Comptroller	Page 5-6 (h) Comptroller distributes funds to institutions except those needed for payment on bonds and notes	(page 4 (g)) Comptroller distributes funds to institutions except those needed for payment on bonds and notes.
Other provision relating to fund use	N/A	(page 6 (j)) legislature may authorize that bonds proceeds go to utility costs associated with buildings constructed after this act	N/A
Project oversight provision	(page 18 (g)) legislature may provide for role and scope review by a designated agency of all new construction projects. The agency may suspend the project until the next legislative session, if it does not meet requirements	(page 6 (i)) legislature or designated agency review over new construction projects; legislature approval for land acquisition and constructing and equipping buildings for branch campuses or educational centers that are not degree granting institutions.	(page 4 (h), page 6 (k)) The Legislature may provide for approval or disapproval of new construction projects; legislature approval for land acquisition and constructing and equipping buildings for branch campuses or educational centers that are not degree granting institutions.

(4)	HJR 19 - SENATE	HJR 19 - HOUSE	CONFERENCE COMMITTEE
Article VII Section 18 - PUF institutions			
Bonding limit	(page 19 line 25, page 20 line 26) A & M - 10% of PUF value U.T. - 20% of PUF value	(page 7 line 14, page 8 line 15) same as HJR 19 - Senate	(page 7 line 13, page 8 line 10) A & M - 10% of PUF value U.T. - 20% of PUF value
Purposes of bonds	(page 20 lines 3-7, page 21 lines 5-9) acquiring land with or without permanent improvements; constructing and equipping buildings or other permanent improvements; major repair and rehabilitation of existing buildings acquiring capital equipment; library books and materials; refunding bonds and notes issued under this section or prior law	(page 7 lines 19-23, page 8 lines 21-26) same as HJR 19 - Senate	(page 7-8 (a) and (b)) acquiring land with or without permanent improvements; constructing and equipping buildings or other permanent improvements; major repair and rehabilitation of existing buildings acquiring capital equipment; library books and materials; refunding bonds and notes issued under this section or prior law.
Eligible institutions	(page 20 and page 21 and page 25 amendment #4) Those institutions listed and any component systems created at a later date.	(page 8 and page 9) Those institutions listed.	(page 7-9 (a) (b) (c)) Those institutions listed and any component institutions created at a later date through 2/3 vote of the Legislature.
Project oversight provision	(page 22 (c) and page 25 amendment #3) legislature or designated agency approval for bond monies used for: constructing, equipping, repairing, or rehabilitating buildings or other permanent improvements that are used for student housing, chancellor housing, faculty housing, inter-collegiate athletics or auxiliary enterprises	(page 9 (c)) legislature or designated agency approval for bond monies used for: constructing equipping, repairing or rehabilitating buildings or other permanent improvements that are used for student housing, inter-collegiate athletics or auxiliary enterprise	(page 9 (d)) appropriated funds may not be used for constructing, equipping, repairing or rehabilitating improvements to student housing, intercollegiate athletics or auxiliary enterprises.
Allocation to Prairie View from UT	(page 23 (e)) \$6 million beginning September 1, 1985	(page 10-11 (e)) \$6 million beginning September 1, 1983	(page 10 (f)) \$6 million beginning with the adoption of this amendment
Bond Maturity limit	(page 23 line 22) 30 years	(page 11 line 11) same as HJR 19 - Senate	(page 10 line 31) 30 years

(5)	HJR 19 - SENATE	HJR 19 - HOUSE	CONFERENCE COMMITTEE
Restrictions on receiving general revenue funds	N/A	(page 11-12 (g)) UT and A & M cannot receive general revenue funds for: acquiring land with or without permanent improvement; constructing or equipping buildings or other permanent improvements; major repair and rehabilitation except in case of fire or natural disaster	(page 11 (i)) UT and A & M may not receive general revenue funds for: acquiring land; constructing or equipping buildings; major repair and rehabilitation except in case of fire or natural disaster or in cases or demonstrated need, the legislature by 2/3 vote may appropriate additional funds.
Project oversight provision	(page 24 (g)) Legislature may provide for role and scope review by an agency for all new construction except for those projects at UT-Austin, A&M College Station and Prairie View A & M. The agency may suspend the project until the next legislative session, if it does not meet the requirements.	(page 12 (h)) Legislature or designated agency review over construction projects; legislative approval for land acquisition and constructing and equipping buildings for branch campuses or educational centers that are not degree granting institutions.	(page 11 (h)) Legislature may provide for approval or disapproval or all new construction projects except those at UT-Austin, A & M - College Station and Prairie View A & M
Other provisions relating to use of bond monies	N/A	(page 12 (i) and page 13 section 4) legislature may authorize UT and A & M boards to expend the proceeds of bonds issued for utility costs for buildings constructed after the effective date of this act. Nothing in the act can prevent the legislature from terminating or in any way modifying an agency or institution named in this article	N/A
Ballot	(page 25 lines 5-7) "The constitutional amendment to provide funds for support of higher education and to restructure the permanent university fund."	(page 13 lines 15-20) "The constitutional amendment appropriating \$75 million a year of general revenue to college construction and related activities, allowing for the issuance of bonds based on that appropriation, and increasing the bonding authority under the permanent university fund and the number of institutions eligible to benefit from those bonds."	(page 12 lines 17-21) "The constitutional amendment to create from general revenue a special higher education assistance fund for construction and related activities, to restructure the Permanent University Fund, and to increase the number of institutions eligible to benefit from the Permanent University Fund."
Election date	(page 25 line 3) November 6, 1984	(page 13 line 13) April 30, 1983	(page 12 line 15) November 6, 1984

CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

5-19-83

Date

Honorable William P. Hobby
President of the Senate

Honorable Gibson D. "Gib" Lewis
Speaker of the House of Representatives

Sir:

We, your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on H. J. R. 19 have met and had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Carl A. Parker
Senator Carl Parker

Bob Vale
Senator Bob Vale

Grant Jones
Senator Grant Jones

Kent Caperton
Senator Kent Caperton

Bob McFarland
On the part of the Senate

Wilhelmina Delco
Rep. Wilhelmina Delco

Bill Messer
Rep. Bill Messer

Hugo Berlanga
Rep. Hugo Berlanga

Lee Jackson
Rep. Lee Jackson

John Gavin
On the part of the House

Paper clip one of these forms to each of the following:
the original and two copies to the house of origin
three copies to the other house

CONFERENCE COMMITTEE REPORT

3rd Printing

H.J.R. No. 19

CONFERENCE COMMITTEE REPORT

A JOINT RESOLUTION

1 proposing a constitutional amendment to provide funds for the support
2 of higher education and to restructure the permanent university fund.

3 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

4 SECTION 1. That Article VII of the Texas Constitution be amended
5 by adding Section 17 to read as follows:

6 Section 17. (a) In the fiscal year beginning September 1, 1985,
7 and each fiscal year thereafter, there is hereby appropriated out of
8 the first money coming into the state treasury not otherwise
9 appropriated by the Constitution \$100 million to be used by eligible
10 agencies and institutions of higher education for the purpose of
11 acquiring land either with or without permanent improvements, con-
12 structing and equipping buildings or other permanent improvements,
13 major repair or rehabilitation of buildings or other permanent
14 improvements, and acquisition of capital equipment, library books and
15 library materials. During the regular session of the Legislature that
16 is nearest, but preceding, the beginning of each fifth fiscal year
17 dating from September 1, 1985, the Legislature may by two-thirds vote
18 of the membership of each House adjust the amount of the
19 constitutional appropriation for the ensuing five years but may not
20 adjust the appropriation in such a way as to impair any obligation
21 created by the issuance of bonds or notes in accordance with this
22 Section.

23 (b) The funds appropriated under Subsection (a) of this section
24 shall be for the use of the following eligible agencies and
25 institutions of higher education (even though their names may be
26 changed):

27 (1) East Texas State University including East Texas State

- 1 University at Texarkana;
- 2 (2) Lamar University including Lamar University at Orange and
- 3 Lamar University at Port Arthur;
- 4 (3) Midwestern State University;
- 5 (4) North Texas State University;
- 6 (5) Pan American University including Pan American University
- 7 at Brownsville;
- 8 (6) Stephen F. Austin State University;
- 9 (7) Texas College of Osteopathic Medicine;
- 10 (8) Texas State University System Administration and the
- 11 following component institutions:
- 12 (9) Angelo State University;
- 13 (10) Sam Houston State University;
- 14 (11) Southwest Texas State University;
- 15 (12) Sul Ross State University including Uvalde Study
- 16 Center;
- 17 (13) Texas Southern University;
- 18 (14) Texas Tech University;
- 19 (15) Texas Tech University Health Sciences Center;
- 20 (16) Texas Woman's University;
- 21 (17) University of Houston System Administration and the
- 22 following component institutions:
- 23 (18) University of Houston - University Park;
- 24 (19) University of Houston - Victoria;
- 25 (20) University of Houston - Clear Lake;
- 26 (21) University of Houston - Downtown;
- 27 (22) University System of South Texas System Administration and
- 28 the following component institutions:
- 29 (23) Corpus Christi State University;
- 30 (24) Laredo State University;

1 (25) Texas A&I University; and

2 (26) West Texas State University.

3 (c) Pursuant to a two-thirds vote of the membership of each
4 house of the legislature, institutions of higher education may be
5 created at a later date by general law, and, when created, such an
6 institution shall be entitled to participate in the funding provided
7 by this section if it is not created as a part of The University of
8 Texas System or The Texas A&M University System. An institution that
9 is entitled to participate in dedicated funding provided by Article
10 VII, Section 18 of this constitution may not be entitled to
11 participate in the funding provided by this section.

12 (d) In the year 1985 and every ten years thereafter, the
13 legislature or an agency designated by the legislature no later than
14 August 31 of such year shall allocate by equitable formula the annual
15 appropriations made under Subsection (a) of this section to the
16 governing boards of eligible agencies and institutions of higher
17 education. The legislature shall review, or provide for a review, of
18 the allocation formula at the end of the fifth year of each ten-year
19 allocation period. At that time adjustments may be made in the
20 allocation formula, but no adjustment that will prevent the payment of
21 outstanding bonds and notes, both principal and interest, may be made.

22 (e) Each governing board authorized to participate in the
23 distribution of monies under this section is authorized to expend all
24 monies distributed to it for any of the purposes enumerated in
25 Subsection (a). In addition, unless a single bonding agency is
26 designated as hereinafter provided, such governing board may issue
27 bonds and notes for the purposes of refunding bonds or notes issued
28 under this section or prior law, acquiring land either with or without
29 permanent improvements, constructing and equipping buildings or other
30 permanent improvements, and for major repair and rehabilitation of
31 buildings or other permanent improvements, and may pledge up to fifty

1 percent (50%) of the monies allocated to such governing board pursuant
2 to this section to secure the payment of the principal and interest of
3 such bonds or notes. Proceeds from the issuance of bonds or notes
4 under this subsection shall be maintained in a local depository
5 selected by the governing board issuing the bonds or notes. The bonds
6 and notes issued under this subsection shall be payable solely out of
7 the monies appropriated by this section and shall mature serially or
8 otherwise in not more than ten years from their respective dates. All
9 bonds issued under this section shall be sold only through competitive
10 bidding and are subject to approval by the Attorney General. Bonds
11 approved by the Attorney General shall be incontestable. The
12 Permanent University Fund may be invested in the bonds and notes
13 issued under this section. In lieu of the authority granted to each
14 governing board herein, the legislature by general law may designate a
15 single agency to issue bonds and notes authorized under this section
16 and transfer to that agency the authority to collect and pledge monies
17 to the payment of such bonds and notes for the purposes, to the
18 extent, and subject to the restrictions of this section. Provided,
19 that such agency shall be authorized to issue such bonds and notes for
20 the benefit of an eligible institution and pledge monies collected
21 hereunder only as directed by the governing board of each eligible
22 institution.

23 (f) The funds appropriated by this section may not be used for
24 the purpose of constructing, equipping, repairing, or rehabilitating
25 buildings or other permanent improvements that are to be used for
26 student housing, intercollegiate athletics, or auxiliary enterprises.

27 (g) Except for that portion of the allocated funds that may be
28 required to be transferred to a single bonding agency, if one is
29 created, the Comptroller of Public Accounts shall make annual
30 transfers of the funds allocated pursuant to Subsection (d) directly
31 to the governing boards of the eligible institutions.

1 (h) To assure efficient use of construction funds and the
2 orderly development of physical plants to accommodate the state's real
3 need, the Legislature may provide for the approval or disapproval of
4 all new construction projects at the eligible agencies and
5 institutions entitled to participate in the funding provided by this
6 section.

7 (i) The legislature by general law may dedicate portions of the
8 state's revenues to the creation of a dedicated fund ("the Higher
9 Education Fund") for the purposes expressed in subsection (a) of this
10 section. The legislature shall provide for administration of the
11 fund, which shall be invested in the manner provided for investment of
12 the permanent university fund. The income from the investment of the
13 Higher Education Fund shall be credited to the Higher Education Fund
14 until such time as the fund totals \$2 billion. The principal of the
15 Higher Education Fund shall never be expended. At the beginning of
16 the fiscal year after the fund reaches \$2 billion, as certified by the
17 Comptroller of Public Accounts, the dedication of general revenue
18 funds provided for in subsection (a) of this section shall cease. At
19 the beginning of the fiscal year after the fund reaches \$2 billion,
20 and each year thereafter, ten percent (10%) of the interest, dividends,
21 and other income accruing from the investments of the Higher Education
22 Fund during the previous fiscal year shall be deposited and become
23 part of the principal of the fund, and out of the remainder of the
24 annual income from the investment of the principal of the fund there
25 shall be appropriated an annual sum sufficient to pay the principal
26 and interest due on the bonds and notes issued under this section and
27 the balance of the income shall be allocated, distributed, and expended
28 as provided for the appropriations made under subsection (a).

29 (j) The state systems and institutions of higher education
30 designated in this section may not receive any additional funds from
31 the general revenue of the state for acquiring land with or without

1 permanent improvements, for constructing or equipping buildings or
2 other permanent improvements, or for major repair and rehabilitation
3 of buildings or other permanent improvements except that:

4 (1) in the case of fire or natural disaster the legislature may
5 appropriate from the general revenue an amount sufficient to
6 replace the uninsured loss of any building or other permanent
7 improvement; and

8 (2) the legislature, by two-thirds vote of each house, may, in
9 cases of demonstrated need, which need must be clearly expressed
10 in the body of the act, appropriate additional general revenue
11 funds for acquiring land with or without permanent improvements,
12 for constructing or equipping buildings or other permanent
13 improvements, or for major repair and rehabilitation of buildings
14 or other permanent improvements.

15 This subsection does not apply to Legislative appropriations made
16 prior to the adoption of this amendment.

17 (k) Without the prior approval of the legislature,
18 appropriations under this section may not be expended for acquiring
19 land with or without permanent improvements, or for constructing and
20 equipping buildings or other permanent improvements, for a branch
21 campus or educational center that is not a separate degree-granting
22 institution created by general law.

23 (l) This section is self-enacting upon the issuance of the
24 Governor's proclamation declaring the adoption of the amendment, and
25 the State Comptroller of Public Accounts and the State Treasurer shall
26 do all things necessary to effectuate this section. This section does
27 not impair any obligation created by the issuance of any bonds and
28 notes in accordance with prior law, and all outstanding bonds and
29 notes shall be paid in full, both principal and interest, in
30 accordance with their terms. If the provisions of this section
31 conflict with any other provisions of this Constitution, then the

1 provisions of this section shall prevail, notwithstanding all such
2 conflicting provisions.

3 SECTION 2. That Article VII, Section 14 of the Texas
4 Constitution be revised to read as follows:

5 Sec. 14. Prairie View A&M University in Waller County is an
6 institution of the first class under the direction of the same
7 governing board as Texas A&M University referred to in Article VII,
8 Section 13 of this constitution as the Agricultural and Mechanical
9 College of Texas.

10 SECTION 3. That Article VII, Section 18 of the Texas
11 Constitution be revised to read as follows:

12 Sec. 18. (a) The board of regents of The Texas A&M University
13 System may issue bonds and notes not to exceed a total amount of ten
14 percent (10%) of the cost value of the investments and other assets of
15 the Permanent University Fund (exclusive of real estate) at the time
16 of the issuance thereof, and may pledge all or any part of its one-third
17 interest in the Available University Fund to secure the payment of the
18 principal and interest of those bonds and notes, for the purpose of
19 acquiring land either with or without permanent improvements,
20 constructing and equipping buildings or other permanent improvements,
21 major repair and rehabilitation of buildings and other permanent
22 improvements, acquiring capital equipment and library books and
23 library materials, and refunding bonds or notes issued under this
24 Section or prior law, at or for The Texas A&M University System
25 administration and the following component institutions of the system:

26 (1) Texas A&M University, including its medical college which
27 the legislature may authorize as a separate medical
28 institution;

29 (2) Prairie View A&M University, including its nursing school in
30 Houston;

- (3) Tarleton State University;
- (4) Texas A&M University at Galveston;
- (5) Texas Forest Service;
- (6) Texas Agricultural Experiment Stations;
- (7) Texas Agricultural Extension Service;
- (8) Texas Engineering Experiment Stations;
- (9) Texas Transportation Institute; and
- (10) Texas Engineering Extension Service.

(b) The Board of Regents of The University of Texas System may issue bonds and notes not to exceed a total amount of twenty percent (20%) of the cost value of investments and other assets of the Permanent University Fund (exclusive of real estate) at the time of issuance thereof, and may pledge all or any part of its two-thirds interest in the Available University Fund to secure the payment of the principal and interest of those bonds and notes, for the purpose of acquiring land either with or without permanent improvements, constructing and equipping buildings or other permanent improvements, major repair and rehabilitation of buildings and other permanent improvements, acquiring capital equipment and library books and library materials, and refunding bonds or notes issued under this section or prior law, at or for The University of Texas System administration and the following component institutions of the System:

- (1) The University of Texas at Arlington;
- (2) The University of Texas at Austin;
- (3) The University of Texas at Dallas;
- (4) The University of Texas at El Paso;
- (5) The University of Texas of the Permian Basin;
- (6) The University of Texas at San Antonio;
- (7) The University of Texas at Tyler;
- (8) The University of Texas Health Science Center at Dallas;

- 1 (9) The University of Texas Medical Branch at Galveston;
2 (10) The University of Texas Health Science Center at Houston;
3 (11) The University of Texas Health Science Center at San
4 Antonio;
5 (12) The University of Texas System Cancer Center;
6 (13) The University of Texas Health Center at Tyler; and
7 (14) The University of Texas Institute of Texan Cultures at San
8 Antonio.

9 (c) Pursuant to a two-thirds vote of the membership of each
10 house of the legislature, institutions of higher education may be
11 created at a later date as a part of The University of Texas System or
12 The Texas A&M University System by general law, and, when created,
13 such an institution shall be entitled to participate in the funding
14 provided by this section for the system in which it is created. An
15 institution that is entitled to participate in dedicated funding
16 provided by Article VII, Section 17 of this constitution may not be
17 entitled to participate in the funding provided by this section.

18 (d) The proceeds of the bonds or notes issued under Subsection
19 (a) or (b) of this section may not be used for the purpose of
20 constructing, equipping, repairing, or rehabilitating buildings or
21 other permanent improvements that are to be used for student housing,
22 intercollegiate athletics, or auxiliary enterprises.

23 (e) The Available University Fund consists of the dividends,
24 interest and other income from the Permanent University Fund (less
25 administrative expenses) including the net income attributable to the
26 surface of Permanent University Fund land. Out of one-third of the
27 Available University Fund, there shall be appropriated an annual sum
28 sufficient to pay the principal and interest due on the bonds and
29 notes issued by the board of regents of The Texas A&M University
30 System under this section and prior law, and the remainder of that
31 one-third of the Available University Fund shall be appropriated to

1 the board of regents of The Texas A&M University System which shall
2 have the authority and duty in turn to appropriate an equitable
3 portion of the same for the support and maintenance of The Texas A&M
4 University System administration, Texas A&M University, and Prairie
5 View A&M University. The board of regents of The Texas A&M University
6 System, in making just and equitable appropriations to Texas A&M
7 University and Prairie View A&M University, shall exercise its
8 discretion with due regard to such criteria as the board may deem
9 appropriate from year to year, taking into account all amounts
10 appropriated from Subsection (f) of this section. Out of the other
11 two-thirds of the Available University Fund there shall be
12 appropriated an annual sum sufficient to pay the principal and
13 interest due on the bonds and notes issued by the Board of Regents of
14 The University of Texas System under this section and prior law, and
15 the remainder of such two-thirds of the Available University Fund,
16 shall be appropriated for the support and maintenance of The
17 University of Texas at Austin and The University of Texas System
18 administration.

19 (f) It is provided, however, that, for ten years beginning upon
20 the adoption of this amendment, before any other allocation is made of
21 The University of Texas System's two-thirds share of the Available
22 University Fund, remaining after payment of principal and interest on
23 its bonds and notes issued under this section and prior law, \$6
24 million per year shall be appropriated out of that share to the board
25 of regents of The Texas A&M University System for said board's use in
26 making appropriations to Prairie View A&M University. This subsection
27 expires and is deleted from this constitution ten years from the
28 adoption of this amendment.

29 (g) The bonds and notes issued under this Section shall be
30 payable solely out of the Available University Fund, mature serially
31 or otherwise in not more than 30 years from their respective dates,

1 and, except for refunding bonds, be sold only through competitive
2 bidding. All of these bonds and notes are subject to approval by the
3 Attorney General and when so approved are incontestable. The
4 Permanent University Fund may be invested in these bonds and notes.

5 (h) To assure efficient use of construction funds and the
6 orderly development of physical plants to accommodate the state's real
7 need, the Legislature may provide for the approval or disapproval of
8 all new construction projects at the eligible agencies and
9 institutions entitled to participate in the funding provided by this
10 section except The University of Texas at Austin, Texas A&M University
11 in College Station, and Prairie View A&M University.

12 (i) The state systems and institutions of higher education
13 designated in this section may not receive any funds from the general
14 revenue of the state for acquiring land with or without permanent
15 improvements, for constructing or equipping buildings or other
16 permanent improvements, or for major repair and rehabilitation of
17 buildings or other permanent improvements except that:

18 (1) in the case of fire or natural disaster the legislature may
19 appropriate from the general revenue an amount sufficient to
20 replace the uninsured loss of any building or other permanent
21 improvement; and

22 (2) the legislature, by two-thirds vote of each house, may, in
23 cases of demonstrated need, which need must be clearly expressed
24 in the body of the act, appropriate general revenue funds for
25 acquiring land with or without permanent improvements, for
26 constructing or equipping buildings or other permanent
27 improvements, or for major repair and rehabilitation of buildings
28 or other permanent improvements.

29 This subsection does not apply to legislative appropriations made
30 prior to the adoption of this amendment.

1 (j) This section is self-enacting on the issuance of the
2 Governor's proclamation declaring the adoption of this amendment, and
3 the State Comptroller of Public Accounts and the State Treasurer shall
4 do all things necessary to effectuate this section. This section does
5 not impair any obligation created by the issuance of bonds or notes in
6 accordance with prior law, and all outstanding bonds and notes shall
7 be paid in full, both principal and interest, in accordance with their
8 terms, and the changes herein made in the allocation of the Available
9 University Fund shall not affect the pledges thereof made in
10 connection with such bonds or notes heretofore issued. If the
11 provisions of this section conflict with any other provision of this
12 Constitution, then the provisions of this section shall prevail,
13 notwithstanding any such conflicting provisions.

14 SECTION 4. This proposed constitutional amendment shall be
15 submitted to the voters at an election to be held on November 6, 1984.
16 The ballot shall be printed to provide for voting for or against the
17 proposition: "The constitutional amendment to create from general
18 revenue a special higher education assistance fund for construction
19 and related activities, to restructure the permanent university fund,
20 and to increase the number of institutions eligible to benefit from
21 the permanent university fund."

CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

5-19-83

Date

Honorable William P. Hobby
President of the Senate

Honorable Gibson D. "Gib" Lewis
Speaker of the House of Representatives

Sir:

We, your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on H. J. R. 19 have met and had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Senator Carl Parker

Senator Bob Vale

Senator Grant Jones

Senator Kent Caperton

Senator Bob McFarland
On the part of the Senate

Rep. Wilhelmina Delco

Rep. Bill Hesser

Rep. Hugo Berlanga

Rep. Lee Jackson

Rep. John Gavin
On the part of the House

Paper clip one of these forms to each of the following:
the original and two copies to the house of origin
three copies to the other house

MAY 24 1983

Read and filed with Secretary of Senate

H.J.R. No. 19

CONFERENCE COMMITTEE REPORT

A JOINT RESOLUTION

1 proposing a constitutional amendment to provide funds for the support
2 of higher education and to restructure the permanent university fund.

3 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

4 SECTION 1. That Article VII of the Texas Constitution be amended
5 by adding Section 17 to read as follows:

6 Section 17. (a) In the fiscal year beginning September 1, 1985,
7 and each fiscal year thereafter, there is hereby appropriated out of
8 the first money coming into the state treasury not otherwise
9 appropriated by the Constitution \$100 million to be used by eligible
10 agencies and institutions of higher education for the purpose of
11 acquiring land either with or without permanent improvements, con-
12 structing and equipping buildings or other permanent improvements,
13 major repair or rehabilitation of buildings or other permanent
14 improvements, and acquisition of capital equipment, library books and
15 library materials. During the regular session of the Legislature that
16 is nearest, but preceding, the beginning of each fifth fiscal year
17 dating from September 1, 1985, the Legislature may by two-thirds vote
18 of the membership of each House adjust the amount of the
19 constitutional appropriation for the ensuing five years but may not
20 adjust the appropriation in such a way as to impair any obligation
21 created by the issuance of bonds or notes in accordance with this
22 Section.

23 (b) The funds appropriated under Subsection (a) of this section
24 shall be for the use of the following eligible agencies and
25 institutions of higher education (even though their names may be
26 changed):

27 (1) East Texas State University including East Texas State

1 University at Texarkana;

2 (2) Lamar University including Lamar University at Orange and

3 Lamar University at Port Arthur;

4 (3) Midwestern State University;

5 (4) North Texas State University;

6 (5) Pan American University including Pan American University

7 at Brownsville;

8 (6) Stephen F. Austin State University;

9 (7) Texas College of Osteopathic Medicine;

10 (8) Texas State University System Administration and the

11 following component institutions:

12 (9) Angelo State University;

13 (10) Sam Houston State University;

14 (11) Southwest Texas State University;

15 (12) Sul Ross State University including Uvalde Study

16 Center;

17 (13) Texas Southern University;

18 (14) Texas Tech University;

19 (15) Texas Tech University Health Sciences Center;

20 (16) Texas Woman's University;

21 (17) University of Houston System Administration and the

22 following component institutions:

23 (18) University of Houston - University Park;

24 (19) University of Houston - Victoria;

25 (20) University of Houston - Clear Lake;

26 (21) University of Houston - Downtown;

27 (22) University System of South Texas System Administration and

28 the following component institutions:

29 (23) Corpus Christi State University;

30 (24) Laredo State University;

1 (25) Texas A&I University; and

2 (26) West Texas State University.

3 (c) Pursuant to a two-thirds vote of the membership of each
4 house of the legislature, institutions of higher education may be
5 created at a later date by general law, and, when created, such an
6 institution shall be entitled to participate in the funding provided
7 by this section if it is not created as a part of The University of
8 Texas System or The Texas A&M University System. An institution that
9 is entitled to participate in dedicated funding provided by Article
10 VII, Section 18 of this constitution may not be entitled to
11 participate in the funding provided by this section.

12 (d) In the year 1985 and every ten years thereafter, the
13 legislature or an agency designated by the legislature no later than
14 August 31 of such year shall allocate by equitable formula the annual
15 appropriations made under Subsection (a) of this section to the
16 governing boards of eligible agencies and institutions of higher
17 education. The legislature shall review, or provide for a review, of
18 the allocation formula at the end of the fifth year of each ten-year
19 allocation period. At that time adjustments may be made in the
20 allocation formula, but no adjustment that will prevent the payment of
21 outstanding bonds and notes, both principal and interest, may be made.

22 (e) Each governing board authorized to participate in the
23 distribution of monies under this section is authorized to expend all
24 monies distributed to it for any of the purposes enumerated in
25 Subsection (a). In addition, unless a single bonding agency is
26 designated as hereinafter provided, such governing board may issue
27 bonds and notes for the purposes of refunding bonds or notes issued
28 under this section or prior law, acquiring land either with or without
29 permanent improvements, constructing and equipping buildings or other
30 permanent improvements, and for major repair and rehabilitation of
31 buildings or other permanent improvements, and may pledge up to fifty

1 percent (50%) of the monies allocated to such governing board pursuant
2 to this section to secure the payment of the principal and interest of
3 such bonds or notes. Proceeds from the issuance of bonds or notes
4 under this subsection shall be maintained in a local depository
5 selected by the governing board issuing the bonds or notes. The bonds
6 and notes issued under this subsection shall be payable solely out of
7 the monies appropriated by this section and shall mature serially or
8 otherwise in not more than ten years from their respective dates. All
9 bonds issued under this section shall be sold only through competitive
10 bidding and are subject to approval by the Attorney General. Bonds
11 approved by the Attorney General shall be incontestable. The
12 Permanent University Fund may be invested in the bonds and notes
13 issued under this section. In lieu of the authority granted to each
14 governing board herein, the legislature by general law may designate a
15 single agency to issue bonds and notes authorized under this section
16 and transfer to that agency the authority to collect and pledge monies
17 to the payment of such bonds and notes for the purposes, to the
18 extent, and subject to the restrictions of this section. Provided,
19 that such agency shall be authorized to issue such bonds and notes for
20 the benefit of an eligible institution and pledge monies collected
21 hereunder only as directed by the governing board of each eligible
22 institution.

23 (f) The funds appropriated by this section may not be used for
24 the purpose of constructing, equipping, repairing, or rehabilitating
25 buildings or other permanent improvements that are to be used for
26 student housing, intercollegiate athletics, or auxiliary enterprises.

27 (g) Except for that portion of the allocated funds that may be
28 required to be transferred to a single bonding agency, if one is
29 created, the Comptroller of Public Accounts shall make annual
30 transfers of the funds allocated pursuant to Subsection (d) directly
31 to the governing boards of the eligible institutions.

1 (h) To assure efficient use of construction funds and the
2 orderly development of physical plants to accommodate the state's real
3 need, the Legislature may provide for the approval or disapproval of
4 all new construction projects at the eligible agencies and
5 institutions entitled to participate in the funding provided by this
6 section.

7 (i) The legislature by general law may dedicate portions of the
8 state's revenues to the creation of a dedicated fund ("the Higher
9 Education Fund") for the purposes expressed in subsection (a) of this
10 section. The legislature shall provide for administration of the
11 fund, which shall be invested in the manner provided for investment of
12 the permanent university fund. The income from the investment of the
13 Higher Education Fund shall be credited to the Higher Education Fund
14 until such time as the fund totals \$2 billion. The principal of the
15 Higher Education Fund shall never be expended. At the beginning of
16 the fiscal year after the fund reaches \$2 billion, as certified by the
17 Comptroller of Public Accounts, the dedication of general revenue
18 funds provided for in subsection (a) of this section shall cease. At
19 the beginning of the fiscal year after the fund reaches \$2 billion,
20 and each year thereafter, ten percent (10%) of the interest, dividends,
21 and other income accruing from the investments of the Higher Education
22 Fund during the previous fiscal year shall be deposited and become
23 part of the principal of the fund, and out of the remainder of the
24 annual income from the investment of the principal of the fund there
25 shall be appropriated an annual sum sufficient to pay the principal
26 and interest due on the bonds and notes issued under this section and
27 the balance of the income shall be allocated, distributed, and expended
28 as provided for the appropriations made under subsection (a).

29 (j) The state systems and institutions of higher education
30 designated in this section may not receive any additional funds from
31 the general revenue of the state for acquiring land with or without

1 permanent improvements, for constructing or equipping buildings or
2 other permanent improvements, or for major repair and rehabilitation
3 of buildings or other permanent improvements except that:

4 (1) in the case of fire or natural disaster the legislature may
5 appropriate from the general revenue an amount sufficient to
6 replace the uninsured loss of any building or other permanent
7 improvement; and

8 (2) the legislature, by two-thirds vote of each house, may, in
9 cases of demonstrated need, which need must be clearly expressed
10 in the body of the act, appropriate additional general revenue
11 funds for acquiring land with or without permanent improvements,
12 for constructing or equipping buildings or other permanent
13 improvements, or for major repair and rehabilitation of buildings
14 or other permanent improvements.

15 This subsection does not apply to Legislative appropriations made
16 prior to the adoption of this amendment.

17 (k) Without the prior approval of the legislature,
18 appropriations under this section may not be expended for acquiring
19 land with or without permanent improvements, or for constructing and
20 equipping buildings or other permanent improvements, for a branch
21 campus or educational center that is not a separate degree-granting
22 institution created by general law.

23 (l) This section is self-enacting upon the issuance of the
24 Governor's proclamation declaring the adoption of the amendment, and
25 the State Comptroller of Public Accounts and the State Treasurer shall
26 do all things necessary to effectuate this section. This section does
27 not impair any obligation created by the issuance of any bonds and
28 notes in accordance with prior law, and all outstanding bonds and
29 notes shall be paid in full, both principal and interest, in
30 accordance with their terms. If the provisions of this section
31 conflict with any other provisions of this Constitution, then the

1 provisions of this section shall prevail, notwithstanding all such
2 conflicting provisions.

3 SECTION 2. That Article VII, Section 14 of the Texas
4 Constitution be revised to read as follows:

5 Sec. 14. Prairie View A&M University in Waller County is an
6 institution of the first class under the direction of the same
7 governing board as Texas A&M University referred to in Article VII,
8 Section 13 of this constitution as the Agricultural and Mechanical
9 College of Texas.

10 SECTION 3. That Article VII, Section 18 of the Texas
11 Constitution be revised to read as follows:

12 Sec. 18. (a) The board of regents of The Texas A&M University
13 System may issue bonds and notes not to exceed a total amount of ten
14 percent (10%) of the cost value of the investments and other assets of
15 the Permanent University Fund (exclusive of real estate) at the time
16 of the issuance thereof, and may pledge all or any part of its one-third
17 interest in the Available University Fund to secure the payment of the
18 principal and interest of those bonds and notes, for the purpose of
19 acquiring land either with or without permanent improvements,
20 constructing and equipping buildings or other permanent improvements,
21 major repair and rehabilitation of buildings and other permanent
22 improvements, acquiring capital equipment and library books and
23 library materials, and refunding bonds or notes issued under this
24 Section or prior law, at or for The Texas A&M University System
25 administration and the following component institutions of the system:

26 (1) Texas A&M University, including its medical college which
27 the legislature may authorize as a separate medical
28 institution;

29 (2) Prairie View A&M University, including its nursing school in
30 Houston;

- (3) Tarleton State University;
- (4) Texas A&M University at Galveston;
- (5) Texas Forest Service;
- (6) Texas Agricultural Experiment Stations;
- (7) Texas Agricultural Extension Service;
- (8) Texas Engineering Experiment Stations;
- (9) Texas Transportation Institute; and
- (10) Texas Engineering Extension Service.

(b) The Board of Regents of The University of Texas System may issue bonds and notes not to exceed a total amount of twenty percent (20%) of the cost value of investments and other assets of the Permanent University Fund (exclusive of real estate) at the time of issuance thereof, and may pledge all or any part of its two-thirds interest in the Available University Fund to secure the payment of the principal and interest of those bonds and notes, for the purpose of acquiring land either with or without permanent improvements, constructing and equipping buildings or other permanent improvements, major repair and rehabilitation of buildings and other permanent improvements, acquiring capital equipment and library books and library materials, and refunding bonds or notes issued under this section or prior law, at or for The University of Texas System administration and the following component institutions of the System:

- (1) The University of Texas at Arlington;
- (2) The University of Texas at Austin;
- (3) The University of Texas at Dallas;
- (4) The University of Texas at El Paso;
- (5) The University of Texas of the Permian Basin;
- (6) The University of Texas at San Antonio;
- (7) The University of Texas at Tyler;
- (8) The University of Texas Health Science Center at Dallas;

- 1 (9) The University of Texas Medical Branch at Galveston;
2 (10) The University of Texas Health Science Center at Houston;
3 (11) The University of Texas Health Science Center at San
4 Antonio;
5 (12) The University of Texas System Cancer Center;
6 (13) The University of Texas Health Center at Tyler; and
7 (14) The University of Texas Institute of Texan Cultures at San
8 Antonio.

9 (c) Pursuant to a two-thirds vote of the membership of each
10 house of the legislature, institutions of higher education may be
11 created at a later date as a part of The University of Texas System or
12 The Texas A&M University System by general law, and, when created,
13 such an institution shall be entitled to participate in the funding
14 provided by this section for the system in which it is created. An
15 institution that is entitled to participate in dedicated funding
16 provided by Article VII, Section 17 of this constitution may not be
17 entitled to participate in the funding provided by this section.

18 (d) The proceeds of the bonds or notes issued under Subsection
19 (a) or (b) of this section may not be used for the purpose of
20 constructing, equipping, repairing, or rehabilitating buildings or
21 other permanent improvements that are to be used for student housing,
22 intercollegiate athletics, or auxiliary enterprises.

23 (e) The Available University Fund consists of the dividends,
24 interest and other income from the Permanent University Fund (less
25 administrative expenses) including the net income attributable to the
26 surface of Permanent University Fund land. Out of one-third of the
27 Available University Fund, there shall be appropriated an annual sum
28 sufficient to pay the principal and interest due on the bonds and
29 notes issued by the board of regents of The Texas A&M University
30 System under this section and prior law, and the remainder of that
31 one-third of the Available University Fund shall be appropriated to

1 the board of regents of The Texas A&M University System which shall
2 have the authority and duty in turn to appropriate an equitable
3 portion of the same for the support and maintenance of The Texas A&M
4 University System administration, Texas A&M University, and Prairie
5 View A&M University. The board of regents of The Texas A&M University
6 System, in making just and equitable appropriations to Texas A&M
7 University and Prairie View A&M University, shall exercise its
8 discretion with due regard to such criteria as the board may deem
9 appropriate from year to year, taking into account all amounts
10 appropriated from Subsection (f) of this section. Out of the other
11 two-thirds of the Available University Fund there shall be
12 appropriated an annual sum sufficient to pay the principal and
13 interest due on the bonds and notes issued by the Board of Regents of
14 The University of Texas System under this section and prior law, and
15 the remainder of such two-thirds of the Available University Fund,
16 shall be appropriated for the support and maintenance of The
17 University of Texas at Austin and The University of Texas System
18 administration.

19 (f) It is provided, however, that, for ten years beginning upon
20 the adoption of this amendment, before any other allocation is made of
21 The University of Texas System's two-thirds share of the Available
22 University Fund, remaining after payment of principal and interest on
23 its bonds and notes issued under this section and prior law, \$6
24 million per year shall be appropriated out of that share to the board
25 of regents of The Texas A&M University System for said board's use in
26 making appropriations to Prairie View A&M University. This subsection
27 expires and is deleted from this constitution ten years from the
28 adoption of this amendment.

29 (g) The bonds and notes issued under this Section shall be
30 payable solely out of the Available University Fund, mature serially
31 or otherwise in not more than 30 years from their respective dates,

1 and, except for refunding bonds, be sold only through competitive
2 bidding. All of these bonds and notes are subject to approval by the
3 Attorney General and when so approved are incontestable. The
4 Permanent University Fund may be invested in these bonds and notes.

5 (h) To assure efficient use of construction funds and the
6 orderly development of physical plants to accommodate the state's real
7 need, the Legislature may provide for the approval or disapproval of
8 all new construction projects at the eligible agencies and
9 institutions entitled to participate in the funding provided by this
10 section except The University of Texas at Austin, Texas A&M University
11 in College Station, and Prairie View A&M University.

12 (i) The state systems and institutions of higher education
13 designated in this section may not receive any funds from the general
14 revenue of the state for acquiring land with or without permanent
15 improvements, for constructing or equipping buildings or other
16 permanent improvements, or for major repair and rehabilitation of
17 buildings or other permanent improvements except that:

18 (1) in the case of fire or natural disaster the legislature may
19 appropriate from the general revenue an amount sufficient to
20 replace the uninsured loss of any building or other permanent
21 improvement; and

22 (2) the legislature, by two-thirds vote of each house, may, in
23 cases of demonstrated need, which need must be clearly expressed
24 in the body of the act, appropriate general revenue funds for
25 acquiring land with or without permanent improvements, for
26 constructing or equipping buildings or other permanent
27 improvements, or for major repair and rehabilitation of buildings
28 or other permanent improvements.

29 This subsection does not apply to legislative appropriations made
30 prior to the adoption of this amendment.

1 (j) This section is self-enacting on the issuance of the
2 Governor's proclamation declaring the adoption of this amendment, and
3 the State Comptroller of Public Accounts and the State Treasurer shall
4 do all things necessary to effectuate this section. This section does
5 not impair any obligation created by the issuance of bonds or notes in
6 accordance with prior law, and all outstanding bonds and notes shall
7 be paid in full, both principal and interest, in accordance with their
8 terms, and the changes herein made in the allocation of the Available
9 University Fund shall not affect the pledges thereof made in
10 connection with such bonds or notes heretofore issued. If the
11 provisions of this section conflict with any other provision of this
12 Constitution, then the provisions of this section shall prevail,
13 notwithstanding any such conflicting provisions.

14 SECTION 4. This proposed constitutional amendment shall be
15 submitted to the voters at an election to be held on November 6, 1984.
16 The ballot shall be printed to provide for voting for or against the
17 proposition: "The constitutional amendment to create from general
18 revenue a special higher education assistance fund for construction
19 and related activities, to restructure the permanent university fund,
20 and to increase the number of institutions eligible to benefit from
21 the permanent university fund."

F

ENROLLED

H.J.R. No. 19

A JOINT RESOLUTION

1 proposing a constitutional amendment to provide funds for the
2 support of higher education and to restructure the permanent
3 university fund.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. That Article VII of the Texas Constitution be
6 amended by adding Section 17 to read as follows:

7 Sec. 17. (a) In the fiscal year beginning September 1,
8 1985, and each fiscal year thereafter, there is hereby appropriated
9 out of the first money coming into the state treasury not otherwise
10 appropriated by the constitution \$100 million to be used by
11 eligible agencies and institutions of higher education for the
12 purpose of acquiring land either with or without permanent
13 improvements, constructing and equipping buildings or other
14 permanent improvements, major repair or rehabilitation of buildings
15 or other permanent improvements, and acquisition of capital
16 equipment, library books and library materials. During the regular
17 session of the legislature that is nearest, but preceding, the
18 beginning of each fifth fiscal year dating from September 1, 1985,
19 the legislature may by two-thirds vote of the membership of each
20 house adjust the amount of the constitutional appropriation for the
21 ensuing five years but may not adjust the appropriation in such a
22 way as to impair any obligation created by the issuance of bonds or
23 notes in accordance with this section.

24 (b) The funds appropriated under Subsection (a) of this

1 section shall be for the use of the following eligible agencies and
2 institutions of higher education (even though their names may be
3 changed):

4 (1) East Texas State University including East Texas State
5 University at Texarkana;

6 (2) Lamar University including Lamar University at Orange
7 and Lamar University at Port Arthur;

8 (3) Midwestern State University;

9 (4) North Texas State University;

10 (5) Pan American University including Pan American
11 University at Brownsville;

12 (6) Stephen F. Austin State University;

13 (7) Texas College of Osteopathic Medicine;

14 (8) Texas State University System Administration and the
15 following component institutions:

16 (9) Angelo State University;

17 (10) Sam Houston State University;

18 (11) Southwest Texas State University;

19 (12) Sul Ross State University including Uvalde Study
20 Center;

21 (13) Texas Southern University;

22 (14) Texas Tech University;

23 (15) Texas Tech University Health Sciences Center;

24 (16) Texas Woman's University;

25 (17) University of Houston System Administration and the
26 following component institutions:

27 (18) University of Houston - University Park;

1 (19) University of Houston - Victoria;

2 (20) University of Houston - Clear Lake;

3 (21) University of Houston - Downtown;

4 (22) University System of South Texas System Administration
5 and the following component institutions:

6 (23) Corpus Christi State University;

7 (24) Laredo State University;

8 (25) Texas A&I University; and

9 (26) West Texas State University.

10 (c) Pursuant to a two-thirds vote of the membership of each
11 house of the legislature, institutions of higher education may be
12 created at a later date by general law, and, when created, such an
13 institution shall be entitled to participate in the funding
14 provided by this section if it is not created as a part of The
15 University of Texas System or The Texas A&M University System. An
16 institution that is entitled to participate in dedicated funding
17 provided by Article VII, Section 18, of this constitution may not
18 be entitled to participate in the funding provided by this section.

19 (d) In the year 1985 and every 10 years thereafter, the
20 legislature or an agency designated by the legislature no later
21 than August 31 of such year shall allocate by equitable formula the
22 annual appropriations made under Subsection (a) of this section to
23 the governing boards of eligible agencies and institutions of
24 higher education. The legislature shall review, or provide for a
25 review, of the allocation formula at the end of the fifth year of
26 each 10-year allocation period. At that time adjustments may be
27 made in the allocation formula, but no adjustment that will prevent

1 the payment of outstanding bonds and notes, both principal and
2 interest, may be made.

3 (e) Each governing board authorized to participate in the
4 distribution of money under this section is authorized to expend
5 all money distributed to it for any of the purposes enumerated in
6 Subsection (a). In addition, unless a single bonding agency is
7 designated as hereinafter provided, such governing board may issue
8 bonds and notes for the purposes of refunding bonds or notes issued
9 under this section or prior law, acquiring land either with or
10 without permanent improvements, constructing and equipping
11 buildings or other permanent improvements, and for major repair and
12 rehabilitation of buildings or other permanent improvements, and
13 may pledge up to 50 percent of the money allocated to such
14 governing board pursuant to this section to secure the payment of
15 the principal and interest of such bonds or notes. Proceeds from
16 the issuance of bonds or notes under this subsection shall be
17 maintained in a local depository selected by the governing board
18 issuing the bonds or notes. The bonds and notes issued under this
19 subsection shall be payable solely out of the money appropriated by
20 this section and shall mature serially or otherwise in not more
21 than 10 years from their respective dates. All bonds issued under
22 this section shall be sold only through competitive bidding and are
23 subject to approval by the attorney general. Bonds approved by the
24 attorney general shall be incontestable. The permanent university
25 fund may be invested in the bonds and notes issued under this
26 section. In lieu of the authority granted to each governing board
27 herein, the legislature by general law may designate a single

1 agency to issue bonds and notes authorized under this section and
2 transfer to that agency the authority to collect and pledge money
3 to the payment of such bonds and notes for the purposes, to the
4 extent, and subject to the restrictions of this section. Provided,
5 that such agency shall be authorized to issue such bonds and notes
6 for the benefit of an eligible institution and pledge money
7 collected hereunder only as directed by the governing board of each
8 eligible institution.

9 (f) The funds appropriated by this section may not be used
10 for the purpose of constructing, equipping, repairing, or
11 rehabilitating buildings or other permanent improvements that are
12 to be used for student housing, intercollegiate athletics, or
13 auxiliary enterprises.

14 (g) Except for that portion of the allocated funds that may
15 be required to be transferred to a single bonding agency, if one is
16 created, the comptroller of public accounts shall make annual
17 transfers of the funds allocated pursuant to Subsection (d)
18 directly to the governing boards of the eligible institutions.

19 (h) To assure efficient use of construction funds and the
20 orderly development of physical plants to accommodate the state's
21 real need, the legislature may provide for the approval or
22 disapproval of all new construction projects at the eligible
23 agencies and institutions entitled to participate in the funding
24 provided by this section.

25 (i) The legislature by general law may dedicate portions of
26 the state's revenues to the creation of a dedicated fund ("the
27 higher education fund") for the purposes expressed in Subsection

1 (a) of this section. The legislature shall provide for
2 administration of the fund, which shall be invested in the manner
3 provided for investment of the permanent university fund. The
4 income from the investment of the higher education fund shall be
5 credited to the higher education fund until such time as the fund
6 totals \$2 billion. The principal of the higher education fund
7 shall never be expended. At the beginning of the fiscal year after
8 the fund reaches \$2 billion, as certified by the comptroller of
9 public accounts, the dedication of general revenue funds provided
10 for in Subsection (a) of this section shall cease. At the
11 beginning of the fiscal year after the fund reaches \$2 billion, and
12 each year thereafter, 10 percent of the interest, dividends, and
13 other income accruing from the investments of the higher education
14 fund during the previous fiscal year shall be deposited and become
15 part of the principal of the fund, and out of the remainder of the
16 annual income from the investment of the principal of the fund
17 there shall be appropriated an annual sum sufficient to pay the
18 principal and interest due on the bonds and notes issued under this
19 section and the balance of the income shall be allocated,
20 distributed, and expended as provided for the appropriations made
21 under Subsection (a).

22 (j) The state systems and institutions of higher education
23 designated in this section may not receive any additional funds
24 from the general revenue of the state for acquiring land with or
25 without permanent improvements, for constructing or equipping
26 buildings or other permanent improvements, or for major repair and
27 rehabilitation of buildings or other permanent improvements except

1 that:

2 (1) in the case of fire or natural disaster the legislature
3 may appropriate from the general revenue an amount sufficient to
4 replace the uninsured loss of any building or other permanent
5 improvement; and

6 (2) the legislature, by two-thirds vote of each house, may,
7 in cases of demonstrated need, which need must be clearly expressed
8 in the body of the act, appropriate additional general revenue
9 funds for acquiring land with or without permanent improvements,
10 for constructing or equipping buildings or other permanent
11 improvements, or for major repair and rehabilitation of buildings
12 or other permanent improvements.

13 This subsection does not apply to legislative appropriations made
14 prior to the adoption of this amendment.

15 (k) Without the prior approval of the legislature,
16 appropriations under this section may not be expended for acquiring
17 land with or without permanent improvements, or for constructing
18 and equipping buildings or other permanent improvements, for a
19 branch campus or educational center that is not a separate
20 degree-granting institution created by general law.

21 (1) This section is self-enacting upon the issuance of the
22 governor's proclamation declaring the adoption of the amendment,
23 and the state comptroller of public accounts and the state
24 treasurer shall do all things necessary to effectuate this section.
25 This section does not impair any obligation created by the issuance
26 of any bonds and notes in accordance with prior law, and all
27 outstanding bonds and notes shall be paid in full, both principal

1 and interest, in accordance with their terms. If the provisions of
2 this section conflict with any other provisions of this
3 constitution, then the provisions of this section shall prevail,
4 notwithstanding all such conflicting provisions.

5 SECTION 2. That Article VII, Section 14, of the Texas
6 Constitution be revised to read as follows:

7 Sec. 14. Prairie View A&M University in Waller County is an
8 institution of the first class under the direction of the same
9 governing board as Texas A&M University referred to in Article VII,
10 Section 13, of this constitution as the Agricultural and Mechanical
11 College of Texas.

12 SECTION 3. That Article VII, Section 18, of the Texas
13 Constitution be revised to read as follows:

14 Sec. 18. (a) The Board of Regents of The Texas A&M
15 University System may issue bonds and notes not to exceed a total
16 amount of 10 percent of the cost value of the investments and other
17 assets of the permanent university fund (exclusive of real estate)
18 at the time of the issuance thereof, and may pledge all or any part
19 of its one-third interest in the available university fund to
20 secure the payment of the principal and interest of those bonds and
21 notes, for the purpose of acquiring land either with or without
22 permanent improvements, constructing and equipping buildings or
23 other permanent improvements, major repair and rehabilitation of
24 buildings and other permanent improvements, acquiring capital
25 equipment and library books and library materials, and refunding
26 bonds or notes issued under this Section or prior law, at or for
27 The Texas A&M University System administration and the following

1 component institutions of the system:

2 (1) Texas A&M University, including its medical college
3 which the legislature may authorize as a separate medical
4 institution;

5 (2) Prairie View A&M University, including its nursing
6 school in Houston;

7 (3) Tarleton State University;

8 (4) Texas A&M University at Galveston;

9 (5) Texas Forest Service;

10 (6) Texas Agricultural Experiment Stations;

11 (7) Texas Agricultural Extension Service;

12 (8) Texas Engineering Experiment Stations;

13 (9) Texas Transportation Institute; and

14 (10) Texas Engineering Extension Service.

15 (b) The Board of Regents of The University of Texas System
16 may issue bonds and notes not to exceed a total amount of 20
17 percent of the cost value of investments and other assets of the
18 permanent university fund (exclusive of real estate) at the time of
19 issuance thereof, and may pledge all or any part of its two-thirds
20 interest in the available university fund to secure the payment of
21 the principal and interest of those bonds and notes, for the
22 purpose of acquiring land either with or without permanent
23 improvements, constructing and equipping buildings or other
24 permanent improvements, major repair and rehabilitation of
25 buildings and other permanent improvements, acquiring capital
26 equipment and library books and library materials, and refunding
27 bonds or notes issued under this section or prior law, at or for

1 The University of Texas System administration and the following
2 component institutions of the system:

- 3 (1) The University of Texas at Arlington;
- 4 (2) The University of Texas at Austin;
- 5 (3) The University of Texas at Dallas;
- 6 (4) The University of Texas at El Paso;
- 7 (5) The University of Texas of the Permian Basin;
- 8 (6) The University of Texas at San Antonio;
- 9 (7) The University of Texas at Tyler;
- 10 (8) The University of Texas Health Science Center at Dallas;
- 11 (9) The University of Texas Medical Branch at Galveston;
- 12 (10) The University of Texas Health Science Center at
13 Houston;
- 14 (11) The University of Texas Health Science Center at San
15 Antonio;
- 16 (12) The University of Texas System Cancer Center;
- 17 (13) The University of Texas Health Center at Tyler; and
- 18 (14) The University of Texas Institute of Texan Cultures at
19 San Antonio.

20 (c) Pursuant to a two-thirds vote of the membership of each
21 house of the legislature, institutions of higher education may be
22 created at a later date as a part of The University of Texas System
23 or The Texas A&M University System by general law, and, when
24 created, such an institution shall be entitled to participate in
25 the funding provided by this section for the system in which it is
26 created. An institution that is entitled to participate in
27 dedicated funding provided by Article VII, Section 17, of this

1 constitution may not be entitled to participate in the funding
2 provided by this section.

3 (d) The proceeds of the bonds or notes issued under
4 Subsection (a) or (b) of this section may not be used for the
5 purpose of constructing, equipping, repairing, or rehabilitating
6 buildings or other permanent improvements that are to be used for
7 student housing, intercollegiate athletics, or auxiliary
8 enterprises.

9 (e) The available university fund consists of the dividends,
10 interest and other income from the permanent university fund (less
11 administrative expenses) including the net income attributable to
12 the surface of permanent university fund land. Out of one-third of
13 the available university fund, there shall be appropriated an
14 annual sum sufficient to pay the principal and interest due on the
15 bonds and notes issued by the Board of Regents of The Texas A&M
16 University System under this section and prior law, and the
17 remainder of that one-third of the available university fund shall
18 be appropriated to the Board of Regents of The Texas A&M University
19 System which shall have the authority and duty in turn to
20 appropriate an equitable portion of the same for the support and
21 maintenance of The Texas A&M University System administration,
22 Texas A&M University, and Prairie View A&M University. The Board
23 of Regents of The Texas A&M University System, in making just and
24 equitable appropriations to Texas A&M University and Prairie View
25 A&M University, shall exercise its discretion with due regard to
26 such criteria as the board may deem appropriate from year to year,
27 taking into account all amounts appropriated from Subsection (f) of

1 this section. Out of the other two-thirds of the available
 2 university fund there shall be appropriated an annual sum
 3 sufficient to pay the principal and interest due on the bonds and
 4 notes issued by the Board of Regents of The University of Texas
 5 System under this section and prior law, and the remainder of such
 6 two-thirds of the available university fund, shall be appropriated
 7 for the support and maintenance of The University of Texas at
 8 Austin and The University of Texas System administration.

9 (f) It is provided, however, that, for 10 years beginning
 10 upon the adoption of this amendment, before any other allocation is
 11 made of The University of Texas System's two-thirds share of the
 12 available university fund, remaining after payment of principal and
 13 interest on its bonds and notes issued under this section and prior
 14 law, \$6 million per year shall be appropriated out of that share to
 15 the Board of Regents of The Texas A&M University System for said
 16 board's use in making appropriations to Prairie View A&M
 17 University. This subsection expires and is deleted from this
 18 constitution 10 years from the adoption of this amendment.

19 (g) The bonds and notes issued under this section shall be
 20 payable solely out of the available university fund, mature
 21 serially or otherwise in not more than 30 years from their
 22 respective dates, and, except for refunding bonds, be sold only
 23 through competitive bidding. All of these bonds and notes are
 24 subject to approval by the attorney general and when so approved
 25 are incontestable. The permanent university fund may be invested
 26 in these bonds and notes.

27 (h) To assure efficient use of construction funds and the

1 orderly development of physical plants to accommodate the state's
2 real need, the legislature may provide for the approval or
3 disapproval of all new construction projects at the eligible
4 agencies and institutions entitled to participate in the funding
5 provided by this section except The University of Texas at Austin,
6 Texas A&M University in College Station, and Prairie View A&M
7 University.

8 (i) The state systems and institutions of higher education
9 designated in this section may not receive any funds from the
10 general revenue of the state for acquiring land with or without
11 permanent improvements, for constructing or equipping buildings or
12 other permanent improvements, or for major repair and
13 rehabilitation of buildings or other permanent improvements except
14 that:

15 (1) in the case of fire or natural disaster the legislature
16 may appropriate from the general revenue an amount sufficient to
17 replace the uninsured loss of any building or other permanent
18 improvement; and

19 (2) the legislature, by two-thirds vote of each house, may,
20 in cases of demonstrated need, which need must be clearly expressed
21 in the body of the act, appropriate general revenue funds for
22 acquiring land with or without permanent improvements, for
23 constructing or equipping buildings or other permanent
24 improvements, or for major repair and rehabilitation of buildings
25 or other permanent improvements.

26 This subsection does not apply to legislative appropriations made
27 prior to the adoption of this amendment.

(j) This section is self-enacting on the issuance of the governor's proclamation declaring the adoption of this amendment, and the state comptroller of public accounts and the state treasurer shall do all things necessary to effectuate this section. This section does not impair any obligation created by the issuance of bonds or notes in accordance with prior law, and all outstanding bonds and notes shall be paid in full, both principal and interest, in accordance with their terms, and the changes herein made in the allocation of the available university fund shall not affect the pledges thereof made in connection with such bonds or notes heretofore issued. If the provisions of this section conflict with any other provision of this constitution, then the provisions of this section shall prevail, notwithstanding any such conflicting provisions.

SECTION 4. This proposed constitutional amendment shall be submitted to the voters at an election to be held on November 6, 1984. The ballot shall be printed to provide for voting for or against the proposition: "The constitutional amendment to create from general revenue a special higher education assistance fund for construction and related activities, to restructure the permanent university fund, and to increase the number of institutions eligible to benefit from the permanent university fund."

President of the Senate

Speaker of the House

I certify that H.J.R. No. 19 was passed by the House on February 22, 1983, by the following vote: Yeas 139, Nays 7, 1 present, not voting; that the House refused to concur in Senate amendments to H.J.R. No. 19 on April 20, 1983, by a non-record vote and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.J.R. No. 19 on May 25, 1983, by the following vote: Yeas 131, Nays 13, 2 present, not voting.

Chief Clerk of the House

H.J.R. No. 19

I certify that H.J.R. No. 19 was passed by the Senate, with amendments, on April 13, 1983, by the following vote: Yeas 25, Nays 5; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.J.R. No. 19 on May 25, 1983, by the following vote: Yeas 29, Nays 2.

Secretary of the Senate

APPROVED: _____

Date

Governor

RECEIVED: _____

Date

Secretary of State

HOUSE JOINT RESOLUTION

proposing a constitutional amendment to provide funds for the support of higher education and to restructure the permanent university fund.

JAN 3 1983 1. Filed with the Chief Clerk.

JAN 27 1983 2. Read first time and referred to Committee on

Higher Education

FEB 1 5 1983 3. Reported favorably ~~(as amended)~~ (as substituted) and sent to Printer at 5:40 pm

FEB 1 6 1983 4. Printed and distributed at 8:12 am

FEB 1 6 1983 5. Sent to Committee on Calendars at 8:18 am

FEB 2 2 1983 6. Read second time as Subs. (amended) and (finally) passed to ~~Third Reading~~ by a Record Vote of 139 yeas, 7 nays, 1 present, not voting.

7. Motion to reconsider and table the vote by which H.J.R. _____ was ordered engrossed prevailed (failed) by (Non-Record Vote) (Record Vote of _____ yeas, _____ nays, _____ present, not voting).

8. Read third time (amended) and finally adopted (failed of adoption) by a Record Vote of _____ yeas, _____ nays, _____ present, not voting.

9. Caption ordered amended to conform to body of resolution.

10. Motion to reconsider and table the vote by which H.J.R. _____ was finally adopted prevailed (failed) by a (Non-Record Vote) Record Vote of _____ yeas, _____ nays, and _____ present, not voting).

FEB 2 2 1983

11. Ordered Engrossed at 3:40 pm

FEB 2 3 1983

12. Engrossed.

FEB 2 3 1983

13. Returned to Chief Clerk at 8:33 am

FEB 2 3 1983

14. Sent to the Senate.

Betty Murray
Chief Clerk of the House

FEB 2 3 1983

15. Received from the House

FEB 2 4 1983

16. Read, referred to Committee on EDUCATION

17. Reported favorably

APR 6 1983

18. Reported adversely, with favorable Committee Substitute; Committee Substitute read first time.

19. Ordered not printed.

APR 1 3 1983

20. Regular order of business suspended by

~~(a viva voce vote.)~~
(28 yeas, 2 nays.)

21. To permit consideration, reading and passage, Senate and Constitutional Rules suspended by vote of _____ yeas, _____ nays.

APR 1 8 1983

22. Read second time amended passed to third reading by:
(a viva voce vote.)
_____ yeas, _____ nays.)

APR 13 1983

23. Caption ordered amended to conform to body of bill.

APR 13 1983

24. Senate and Constitutional 3-Day Rules suspended by vote of 27 yeas,
3 nays to place bill on third reading and final passage.

APR 14 1983

25. Read third time and passed by

(~~25~~ yeas, 5 nays.)

OTHER ACTION:

OTHER ACTION:

Betty King

Secretary of the Senate

4-13-83

26. Returned to the House.

APR 13 1983

27. Received from the Senate (with amendments.)
(as substituted.)

APR 20 1983

28. House (~~Concurred~~) (Refused to Concur) in Senate (Amendments) by a (Non-Record)
(Vote) (Record Vote of yeas, nays, present,
~~not voting~~)

APR 20 1983

29. Conference Committee Ordered. ^{Chair.} *DeLoe, Gawn, Berlanga*
Messer, Jackson

MAY 25 1983

30. Conference Committee Report Adopted (~~Rejected~~) by a (~~Non-Record Vote~~) (Record
Vote of 131 yeas, 13 nays, and 2 present, not voting).

31. Ordered Enrolled at

2:18 pm

1983 APR 13 PM 7:36
HOUSE OF REPRESENTATIVES

HOUSE OF REPRESENTATIVES
1983 FEB 23 AM 8:30

HOUSE OF REPRESENTATIVES
1983 FEB 16 AM 8:12